

**SB**

**76**

<TARGET><BILL>SB 76</BILL><SUBJECT>SB  
76</SUBJECT><COMM>HL&C30</COMM></TARGET>

# Senator Peter A. Micciche

*Alaska State Legislature*

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## SB 76: Title 4 Rewrite

SB 76 modernizes the over 35-year-old Title 4 statutes governing the Alcoholic Beverage Control Board (Board). The bill allows the Board to function more efficiently as they regulate the alcohol industry in a manner that promotes public safety and health, while supporting the alcohol industry's continued growth and viability in today's current climate.

This bill is the product of a six-year, unprecedented collaboration of over 100 stakeholders from a diverse group of alcohol industry representatives, public health and safety entities, local governments and advocates for youth.

Stakeholders established shared goals as the foundation for developing recommendations:

- Promoting a fair business climate and protect public health and safety.
- Creating rational regulation for all tiers of the state's alcohol industry.
- Limiting youth access to alcohol.
- Promoting responsible alcohol use and reduce the harms of overconsumption.
- Implementing without negative impacts on businesses and responsible operators.

The result is a reorganization that clearly defines the rights and obligations of licensees, restructures penalties for offenses in Title 4, and organizes the statutes in a logical, common-sense manner for all users of Title 4 statutes.

The bill requires that the director prepare an annual enforcement, education, training, and prevention budget and requires the Board to review fees every 10 years. Penalty sections are amended to ensure consistent enforcement and just outcomes.

New statutory provisions retain the three-tier licensing system, but create more flexibility for small manufacturers; create a new endorsement system to expand the boundaries of licensed businesses and accommodate special events; and modify the permitting system for clarity. The bill also creates a new license for internet sales of alcohol, creates local control in community population limits, adds mechanisms to prevent underage access to alcohol, regulates common carriers who deliver alcohol and provides for a smooth transitional implementation period.

Through this comprehensive licensing structure, current license holders and prospective businesses will understand activities allowed for each license type. Passage of SB 76 will provide clarity for licensees, local governments, law enforcement and the public, and will result in safer, more consistent and modernized regulation of Alaska's alcoholic beverage industry.

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Existing in Statute  
Existing in Regulations  
Penalty or Fee Change  
New Concept

SB 76 (FIN) Version C

Sectional Analysis

**Chapter 06. Alcoholic Beverage Control Board**

Pages 1-5

**Section 1 - Authority of the director**

AS 04.06.075 new subsection provides that the director of the ABC Board shall prepare the budgets for admin, enforcement, education, training, and prevention activities under Title 4.

**Section 2 - Delegation of authority**

AS 04.06.080 adds endorsements to delegated powers, also edits cross reference.

**Section 3 - Powers and duties**

AS 04.06.090(b) relocation of language from existing AS 04.11.070 which limits the power to issue, revoke, transfer, or renew a license to the board and references endorsements.

**Section 4**

AS 04.06.090(e) references endorsements.

**Section 5**

AS 04.06.090 adds new subsection that directs the board to prepare Title 4 education plan for public safety, industry, youth, municipalities, and the public with annual revision.

Adds new subsections which direct the board to review fees every 10 years, allow opinions on legislation amending this title, requires the board to provide notice of

violations to licensees and to post FASD information online for package store and winery licensees to include with shipped orders.

### **Section 6 – Statewide database**

**AS 04.06.095** allows for certain information from the statewide database to be retained up to 10 years, only identifying information will be purged annually. Adds reference to endorsement.

### **Section 7**

**AS 04.06.095(c)** adds new subsection which directs the board to produce a report of aggregate regional sales of alcohol in local option areas, based on information retained in database and not including identifying data about an individual purchaser or seller.

### **Section 8 – Regulations**

**AS 04.06.100(b)** adds endorsements, removes the board’s power to create additional licenses and permits in regulation, and adds the power to restrict manufacturing, packaging, sale, and distribution of products containing alcohol for consumption.

**Section 9** – Proposed new chapter AS 04.09 to replace sections defining license types and permit types currently in AS 04.11 and regulation.

## **Chapter 09. Licenses, Endorsements, and Permits.**

Pages 5-50

### **Article 1. License Types.**

**AS 04.09.010. Types of licenses.** Gives the definition of license, three tiers, and limits license types to those listed in this chapter.

### **Article 2. Manufacturer Licenses.**

**AS 04.09.020. Brewery manufacturer license.** Relocates the brewery license from 04.11.130, moves other provisions from current brewery manufacturer’s license to endorsements and new license types, sets the biennial fee at **\$1,500** and requires that at least 80% of the final product of brewed beverages sold be manufactured on licensed premises in Alaska.

**AS 04.09.030. Winery manufacturer license.** Relocates the winery license from 04.11.140, moves other provisions from current winery license to endorsements and new license types, sets the biennial fee at **\$1,500** and requires that at least 80% of the final product of wine sold be manufactured on licensed premises in Alaska.

**AS 04.09.040. Distillery manufacturer license.** Relocates the distillery license from 04.11.160, moves other provisions from current winery license to endorsements and new license types, sets the biennial fee at \$1,500 and requires that at least 80% of the final product of distilled spirits sold be manufactured on licensed premises in Alaska.

**AS 04.09.050. Authorized sales.** Allows smaller manufacturers to self-distribute to retail, wholesale, permitted and out of state or country licensees. Requires large manufacturers to go through wholesale distributors.

**AS 04.09.060. Unlicensed manufacturing.** Relocates the existing class A misdemeanor for unlicensed manufacture from 04.11.010.

**AS 04.09.070. Unlicensed manufacturing in a local option area.** Relocates the existing class C felony for unlicensed manufacture in a local option area from 04.11.010.

**AS 04.09.080. Unauthorized manufacturer sale.** Defines unauthorized manufacturer sale as violating 04.09.050, which is a \$250 fine.

**AS 04.09.090. Definition.** Defines “packaging” which is the process of containing alcoholic beverages in bottles or other containers for sale.

### **Article 3. Wholesale Licenses.**

**AS 04.09.100. General wholesale license.** Relocates the general wholesale license from 04.11.160, moves other existing components to other places in the chapter, maintains \$2,000 biennial fee, maintains \$10,000 maximum fee, and reduces annual transaction fees for smaller businesses.

**AS 04.09.110. Limited wholesale brewed beverage and wine license.** Relocates limited wholesale license from previous wholesale license section (AS 04.11.160(b)) in a separate section, maintains \$400 biennial fee, maintains maximum \$10,000 annual fee, and reduces annual transaction fees for smaller businesses.

**AS 04.09.120. Annual fee and affidavit.** Relocates existing affidavit requirement from previous wholesale licenses section (AS 04.11.160(c)-(d)), requires a wholesale licensee to submit an affidavit to the board stating total value of annual sales, including tax.

**AS 04.09.130. Wholesaler supplier declaration.** Relocates the wholesale supplier declaration from previous wholesale licenses section (AS 04.11.160(e)), maintains current fee structure, and simplifies the required reporting process.

**AS 04.09.140. Unlicensed wholesale.** Relocates unlicensed wholesale provision from 04.11.010 and maintains existing class A misdemeanor.

**AS 04.09.145. Unlicensed wholesale in a local option area.** Relocates existing penalty for unlicensed wholesale in a local option area from 04.11.010 and maintains existing class C felony.

**AS 04.09.150. Failure to pay annual fee or file affidavit.** States that failure to pay an annual wholesale fee or file an affidavit is a violation and lowers the penalty from a misdemeanor to a \$250 fine.

**AS 04.09.160. Failure to pay biennial fee or file declaration.** States that failure to pay a biennial fee and failure to file a declaration are violations. Lowers the penalty from a misdemeanor to a \$250 fine.

#### **Article 4. Retail Licenses.**

**AS 04.09.200. Beverage dispensary license.** Relocates and simplifies the BDL license language from, maintains the \$2,500 biennial fee, references the multiple fixed counter endorsement, and lowers the penalty for unauthorized beverage dispensary activity from a misdemeanor to a violation. Sections in current BDL (AS 04.11.090) for bowling alley and hotel licensees relocated to become separate endorsements.

**AS 04.09.210. Restaurant and eating place license.** Relocates license from 04.11.100, raises biennial fee to \$1,250, maintains 1:1 food to alcohol ratio, strikes 1996 exemption, limits the number of annual allowed after-hours entertainment events to six, and lowers the penalty for failure to comply with license terms from a misdemeanor to a violation.

**AS 04.09.220. Club license.** Relocates license from 04.11.110, raises biennial fee to \$1,500, and lowers the penalty for failure to comply with license terms from a misdemeanor to a violation.

**AS 04.09.230. Package store license.** Relocates license from 04.11.150, maintains biennial fee of \$1,500, and lowers penalty for failure to comply with licenses terms from a misdemeanor to a violation. Sections in current AS 04.11.150 for delivery, shipping and other activities relocated to become separate endorsements.

**AS 04.09.240. Pub license.** Relocates license from 04.11.220, raises biennial fee to \$1,250, and lowers penalty for failure to comply with license terms from a misdemeanor to a violation. Adds provision allowing designation of alternating premises, which allows a second location on a university campus that must be operated during mutually exclusive hours from existing license.

**AS 04.09.250. Theatre license.** Relocates license from regulation (3 AAC 304.695), raises biennial fee to \$1,250, and lowers the penalty for failure to comply with license terms from a misdemeanor to a violation.

**AS 04.09.260. Common carrier dispensary license.** Relocates license from 04.11.180, maintains current fee schedule, removes "vehicle" as a qualifying premises, maintains current class A misdemeanor for unauthorized common carrier dispensary activity and lowers the penalty for common carrier dispensary noncompliance from a misdemeanor to a violation.

**AS 04.09.270. Sporting event license.** Relocates and renames recreational site license, raises biennial fee to \$1,250, allows for service and multiple noncontiguous locations, lowers penalty for unauthorized sporting event activity from a misdemeanor to a violation, and establishes 8-year sunset dates for licenses issued under former AS 04.11.210.

**AS 04.09.280. Outdoor recreation lodge license.** Relocates license from 04.11.225, raises biennial fee to \$2,500, and lowers penalty for unauthorized outdoor recreation lodge activity from a misdemeanor to a violation.

**AS 04.09.290. Golf course license.** Relocates license from 04.11.115, raises biennial fee to \$1,250, and lowers penalty for failure to comply with license terms from a misdemeanor to a violation.

**AS 04.09.300. Destination resort license.** Relocates license from 04.11.255, raises biennial fee to \$2,500, allows for service at multiple noncontiguous locations, and lowers penalty for failure to comply with license terms from a misdemeanor to a violation.

**AS 04.09.310. Brewery retail license.** Creates new license type based on existing language in AS 04.11.130 for brewery retail activities, sets biennial fee at \$1,250, and sets penalty for failure to comply with license terms.

**AS 04.09.320. Winery retail license.** Creates new license type based on existing language in AS 04.11.140 for winery retail activities, sets biennial fee at \$1,250, and sets penalty for failure to comply with license terms.

**AS 04.09.330. Distillery retail license.** Creates new license type based on existing language in AS 04.11.170 for distillery retail activities, sets biennial fee at \$1,250, and sets penalty for failure to comply with license terms.

**AS 04.09.340. Beverage dispensary tourism license.** Relocates license from AS 04.11.400(d), maintains biennial fee at \$2,500, and lowers penalty for unauthorized beverage dispensary activity from a misdemeanor to a violation. Other language in AS 04.11.400(d) relocated to Hotel or Motel Endorsement.

**AS 04.09.350. Seasonal restaurant or eating place license.** Creates new license type, sets biennial license fee at \$1,250, defines which communities can qualify for having this license type, directs the board to create a formula for determining number of allowed licenses per community, and sets penalty for failure to comply with license terms.

**AS 04.09.360. Winery direct shipment license.** Creates new license type authorizing direct to consumer (including online) sales of wine for in-state or out-of-state winery, sets biennial license fee at \$200, directs the board to develop an application form specifically for this license, and sets penalty for failure to comply with license terms.

**AS 04.09.370. Unlicensed retail sale.** Relocates existing unlicensed retail sale from 04.11.010 and maintains current misdemeanor.

**AS 04.09.380. Unlicensed retail sale in a local option area.** Relocates existing unlicensed retail sale in a local option area from 04.11.010 and maintains current class C felony.

#### **Article 5. Endorsements.**

**AS 04.09.400. Types of endorsements.** Defines endorsements, clarifies that endorsements must be exercised with a license.

**AS 04.09.410. Manufacturer sampling endorsement.** Creates new endorsement for onsite sampling based on existing language from manufacturing licenses, defines per person per day volume limits by product type, sets biennial fee at \$200, sets penalties for unendorsed sampling and endorsement noncompliance.

**AS 04.09.420. Multiple fixed counter endorsement.** Creates new endorsement for multiple fixed counters with language relocated from duplicate license section in AS 04.11.090, sets biennial fee at \$200, sets initial application fee per counter, sets penalties for endorsement noncompliance and unendorsed service.

**AS 04.09.430. Hotel or motel endorsement.** Creates new endorsement using some language relocated from AS 04.11.090, sets biennial fee at \$200, sets penalties for unendorsed hotel or motel service and endorsement noncompliance.

**AS 04.09.440. Large resort endorsement.** Creates new endorsement using some language relocated from AS 04.11.090, defines a large resort, sets biennial fee at \$200, sets penalties for unendorsed large resort service and endorsement noncompliance.

**AS 04.09.450. Restaurant endorsement.** Creates new endorsement using language from the **Restaurant Designation Permit** currently in regulation, sets biennial fee at \$200, sets penalties for unendorsed restaurant service and endorsement noncompliance.

**AS 04.09.460. Package store shipping endorsement.** Creates new endorsement by relocating language from AS 04.11.150, **allows licensees to accept online orders**, sets biennial fee at \$200, sets penalties for unendorsed package store shipping and endorsement noncompliance.

**AS 04.09.470. Package store delivery endorsement.** Creates new endorsement by relocating language from AS 04.11.150, sets biennial fee at \$200, sets penalties for unendorsed package store delivery and endorsement noncompliance.

**AS 04.09.480. Package store repackaging endorsement.** Creates new endorsement by **relocating language from regulation**, sets biennial fee at \$200, sets penalties for unendorsed package store repackaging and endorsement noncompliance.

**AS 04.09.490. Package store sampling endorsement.** Creates new endorsement, defines per person per day volume limits by product type, sets biennial fee at \$200, sets penalties for unendorsed package store sampling and endorsement noncompliance.

**AS 04.09.500. Bowling alley endorsement.** Creates new endorsement using language from AS 04.11.090, sets biennial fee at \$200, sets penalties for unendorsed bowling alley service and endorsement noncompliance.

**AS 04.09.510. Golf course endorsement.** Creates new endorsement using language from AS 04.11.115, sets biennial fee at \$200, sets penalties for unendorsed golf course service and endorsement noncompliance.

**AS 04.09.520. Brewery repackaging endorsement.** Creates new endorsement by relocating language from AS 04.11.135, limits availability to licensees currently operating brewpubs, sets biennial fee at \$200, sets penalties for unendorsed brewery repackaging and endorsement noncompliance.

#### Article 6. Permits.

**AS 04.09.600. Types of permits.** Defines permits, establishes application process, requires servers to have an alcohol server education card, and sets daily fee for all permit types at least \$50 per event day.

**AS 04.09.610. Beverage dispensary caterer's permit.** Relocates caterer's permit from 04.11.230 and renames.

**AS 04.09.620. Restaurant caterer's dining permit.** Relocates permit from regulations, renames to allow service of meals other than dinner, and requires meal services as part of food to alcohol ratio sales requirement.

**AS 04.09.630. Club caterer's permit.** Relocates permit from regulations and simplifies existing language for application process.

**AS 04.09.640. Art exhibit permit.** Relocates permit from regulations, removes option for annual \$100 fee, and simplifies existing language.

**AS 04.09.650. Nonprofit organization event permit.** Relocates special events permit from 04.11.240 and renames, simplifies existing language for application process.

**AS 04.09.660. Alcoholic beverage auction permit.** Relocates wine auction permit from regulations and renames to allow all alcoholic beverages to be auctioned.

**AS 04.09.670. Tasting event permit.** Creates new permit, allows a beverage dispensary license holder to partner with a manufacturer retail licensee or package store to host a tasting event on the partner's location and serving the partner's product inventory, sets a time limit and food requirement, and limits to six events per partnering license per year.

**AS 04.09.680. Inventory resale permit.** Relocates retail stock sale license from 04.11.200 and renames.

**AS 04.09.690. Conditional contractors permit.** Relocates permit from 04.11.250.

**AS 04.09.700. Failure to comply with a permit requirement.** Lowers the penalties for failure to comply with permit requirements from **misdemeanors to violations**.

#### **Article 7. Common Carrier Approval**

**AS 04.09.750. Common carrier approval.** Requires board approval in order to deliver alcoholic beverages to a person in the state. Common carriers delivering alcoholic beverages must deliver to a person at least 21 years of age who presents identification and must obtain a signature. They will be required to keep record of alcohol shipments available for audit by the board. The board shall keep a public list of approved carriers. Sets penalties for unapproved common carrier transport or delivery and common carrier noncompliance and violations.

### **Chapter 11. Licensing.**

Pages 50-78

#### **Sections 10-12 – License or permit required; presumption concerning possession for sale.**

**AS 04.11.010(a)** relocates penalties for unlicensed manufacture, sale and offering for sale. Unlicensed sale is addressed in new sections in proposed AS 04.09.

**AS 04.11.010(b)** adds reference to the package store shipping license.

**AS 04.11.010(c)** adds references to unlicensed sale, corrects term “half-keg” and adds barter to local option violation.

#### **Section 13 – Purchase from nonlicensee prohibited**

**AS 04.11.015** prohibits barter for alcoholic beverages and adds penalty with \$250 fine.

#### **Section 14 – Board approval of transfer**

**AS 04.11.040** adds penalty for unauthorized transfer of an alcoholic beverage license or permit with \$250 fine.

#### **Section 15 – Reports required of limited liability organizations**

**AS 04.11.045** adds penalty for failure to report a change in member interest or manager with \$250 fine.

**Section 16 - Reports required of corporations**

AS 04.11.050 adds penalty for failure to report a stock transfer or change of officers or board members with \$250 fine.

**Section 17 - Reports required of partnerships**

AS 04.11.055 adds penalty for failure to report a transfer of partnership interest or change of general partner with \$250 fine.

**Sections 18-19 - Nonresident distiller, brewer, winery, or wholesaler**

AS 04.11.060 amends reference to general wholesale license and maintains current penalty for violating the section.

**Sections 20-21 - Application for new license, endorsement, or permit**

AS 04.11.260 adds endorsement, requires phone number and e-mail of applicant, requires annotated premises drawing, adds license references with individual application requirements and exempts winery direct shipment license.

**Sections 22-23 - Application for renewal of license or permit**

AS 04.11.270 adds endorsements, adds conditional contractor's permit, edits reference, allows renewal applications to be sent via electronic mail exempts winery direct shipment license.

**Section 24 - Application for transfer of a license to another person**

AS 04.11.280 adds endorsements as transferrable with a license.

**Sections 25-26 - Criminal justice information and records**

AS 04.11.295(a) adds issuance and renewal for conditional contractor's permit.

AS 04.11.295(b)(1) adds reference to conditional contractor's permit.

**Section 27 - Notice of application**

AS 04.11.310 exempts winery direct shipment license from notice requirements.

**Section 28 - False statement on application.**

AS 04.11.315 relocates AS 04.16.210 and defines crime of making false statements on an application to as perjury, defined in AS 11.56.200.

**Section 29 - Denial of new licenses and permits**

AS 04.11.320(a) adds references to endorsements.

**Sections 30-33 - Denial of license or permit renewal**

AS 04.11.330(a) changes 30 eight-hour day minimum operating requirement to 240 hours and removes reference to public convenience license. [effective immediately]

AS 04.11.330(a) duplicate section adds endorsement, adds reference to beverage dispensary tourism license, and adds reference to seasonal restaurant or eating place tourism license. [effective with other licensing changes, 1/1/2020]

AS 04.11.330(d) exempts common carrier dispensary licenses and renames reference to recreational site license.

AS 04.11.330(e) exempts winery direct shipment license.

**Sections 34-35 - Denial of request for relocation**

AS 04.11.340 removes reference to public convenience license. [effective immediately]

AS 04.11.340 duplicate section, adds reference to 04.11.400(k) and removes reference to 04.11.400(d). [effective with other licensing changes, 1/1/2020]

**Section 36 - Denial of transfer of a license to another person.**

AS 04.11.360 removes public convenience license reference and allows transfer of a BDL tourism license. [effective immediately]

**Section 37 - Licensed premises in multi-unit residential housing developments owned or financed by the Alaska Housing Finance Corporation**

AS 04.11.365 adds reference to restaurant endorsement.

**Section 38 - Suspension and revocation of licenses and permits**

AS 04.11.370 adds endorsements.

**Sections 39-40 - Board imposed conditions or restrictions**

AS 04.11.395 section title change and adds reference to endorsements.

AS 04.11.395(b) allows the director to impose conditions or restrictions on any permit other than a conditional contractor's permit.

**Sections 41-44 - Population limitations.**

AS 04.11.400(a) adds reference to 04.11.405. [effective immediately]

**AS 04.11.400(a)** duplicate section, edits subsection reference, defines five-mile radius outside cities, adds new population limit for manufacturer retail licenses, adds licenses exempt from population limits and exempts local option populations from calculations. [effective with other licensing changes, 1/1/2020]

**AS 04.11.400(i)** lists licenses exempt from population limits.

**AS 04.11.400(k)** edits reference to beverage dispensary license, allows relocation of a package store, lowers borough threshold population, restricts number of licenses eligible for transfer to those exceeding population limits and defines number of allowed transfers by city, not borough.

#### **Sections 45-47 - Petition for additional restaurant or eating place licenses for certain local governing bodies**

**AS 04.11.405** adds new section that gives certain local governing bodies the ability to petition the board for additional restaurant or eating place licenses allocated to their jurisdiction. Once granted licenses, they must wait three years to petition again. [effective immediately]

**AS 04.11.405(a)-(b)** duplicate sections amending cross-references to restaurant and eating place license. [effective with other licensing changes, 1/1/2020]

#### **Section 48 - Person and location**

**AS 04.11.430** updates definition of corporation to match Title 10 and requires additional information from licensees.

#### **Sections 49-51 - Prohibited financial interest**

**AS 04.11.450(b)** retains restrictions for wholesale licensees from owning a manufacturing tier license or retail tier license, **removes restriction on small manufacturers owning retail tier licenses.**

**AS 04.11.450(e)** adds reference to limited wholesale license to restriction on acting as an employee or agent of a manufacturer tier license or retail tier license and adds the new statutory license references.

**AS 04.11.450** adds new section that restricts manufacturers above certain annual production from owning a wholesale tier license or retail tier license.

#### **Section 52 - Prior public approval**

**AS 04.11.460** exempts winery direct shipment license.

#### **Section 53 - 56**

**AS 04.11.470 - AS 04.11.480** adds endorsements to allowable objections and protest.

**Section 57 - 60 - Local options**

AS 04.11.491 renumbers statutory references to license types and adds outdoor recreation lodge as one of license types that can be exempted from restrictions on sale in local option elections

**Section 61 - Notice to local governing body**

AS 04.11.520 clarifies language for notice process and adds endorsements.

**Section 62 - Suspension and revocation based on acts of employees**

AS 04.11.535(a) adds endorsements, reference to permittee as applicable and clarifying language.

**Section 63 - 66**

AS 04.11.537 - AS 04.11.570 adds endorsements or conditional contractors permit to application, renewal and expiration, appeals, refunds and forfeiture of fees procedures.

**Section 67 - Surrender or destruction of a license**

AS 04.11.580(b) changes language to "not later than".

**Section 68 - Disposition of money**

AS 04.11.590(a) adds reference to endorsements and permits.

**Section 69 - Refund to municipalities**

AS 04.11.610 changes "refund" to "allocation" throughout and specifies content of reporting by municipalities for how license fee funds were used for alcohol-related education and enforcement.

**Section 70 - Accessibility of license and licensed premises to inspection**

AS 04.11.630(b) adds endorsements, permits and includes premises during a permitted event.

**Section 71 - Duration of licenses, endorsements, and permits**

AS 04.11.680 adds endorsements, conditional contractors permit, states that permits must be issued for a specified time, and removes fee reduction for seasonal licenses.

## **Chapter 16. Regulation of Sales and Distribution.**

Pages 78-95

### **Sections 72-73 – Hours of sale and presence on licensed premises (standard closing hours)**

AS 04.16.010(c) allows a person to be on the licensed premises outside of the hours of sale to conduct business with the licensee, maintenance or improvements, common carrier licensees and adds restaurant endorsement reference.

AS 04.16.010(e) lowers penalty from a **misdemeanor to a violation**.

### **Sections 74-75 – Pricing and marketing of alcoholic beverages**

AS 04.16.015(a) exempts sampling endorsements and defines week as seven days.

AS 04.16.015 lowers penalty from a **misdemeanor to a violation**.

### **Section 76 – Trade practices**

**AS 04.16.017** new section specifying illegal practices by manufacturers and directs the board to adopt regulations defining exceptions to these rules and administrative penalties for violations.

### **Section 77 – Solicitation of alcoholic beverages; purchase on behalf of another**

AS 04.16.020 **lowers penalty** for unauthorized solicitation or purchase of alcoholic beverages from a misdemeanor to a violation.

### **Section 78 – Online sale and purchase of alcoholic beverages**

**AS04.16.022** new section prohibiting online purchase and sale unless the licensee has a winery direct shipment license or package store shipping endorsement and sets penalties.

### **Section 79 – Illegal presence on premises involving alcoholic beverages**

AS 04.16.025(a) adds statutory references to all penalties involving sale without a license.

### **Section 80 – Prohibited conduct relating to drunken persons**

AS 04.16.030 **lowers penalty** for prohibited conduct relating to a drunken person, adds **administrative penalty to licensee** if employee is convicted of a violation of this section, and relocates misdemeanor penalty for licensee who knowingly allows employees to violate this section.

**Sections 81-82 – Possession of ingredients for homebrew in certain areas**

AS 04.16.035 changes statutory reference to all local option areas, consistent with AS 04.21.025 restricting private manufacture of alcohol in all local option areas.

AS 04.16.035 maintains current penalty for possession of ingredients for homebrew.

**Sections 83-84 – Access of drunken persons to licensed premises**

AS 04.16.040 rewords licensed premises language.

AS 04.16.040 relocates and **lowers penalty** for prohibited access by a drunken person.

**Section 85 – Obligation to enforce restrictions in licensed premises**

AS 04.16.045 relocates and **lowers penalty** for permitting consumption not authorized under a license.

**Section 86 – Access of persons with restriction on purchasing alcohol**

AS 04.16.047 adds reference to penalty for entering and remaining on licensed premises defined in AS 04.16.160.

**Sections 87-90 – Access to persons under the age of 21 to licensed premises**

AS 04.16.049(a) amends reference to restaurant endorsement and club license.

AS 04.16.049(c) adds additional license types allowed to have underage persons on premises as employees, ages 16 and 17, provided they are not serving alcohol.

AS 04.16.049(d) adds additional license types allowed to have underage persons on premises as employees, ages 18-20, provided they are not serving alcohol.

AS 04.16.049(j) adds additional license types allowed to have underage persons on premises if traveling, provided they are not served or consume alcohol.

**Sections 91-92 – Furnishing or delivery of alcoholic beverages to persons under the age of 21**

AS 04.16.051 reformats sections to match the rest of AS 04.16, no penalty change.

**Section 93 – Furnishing of alcoholic beverages to person under the age of 21 by licensees**

AS 04.16.052 **lowers penalty** for furnishing or delivering to a minor by a licensee or employee, adds **administrative penalty** to licensee if employee is convicted of a violation of this section and shifts misdemeanor penalty in AS 04.16.150 to licensee who knowingly allows employees to violate this section.

**Section 94 – Room rental for purposes of consuming alcoholic beverages**

AS 04.16.055 maintains class A misdemeanor for renting a room for the purpose of providing alcoholic beverages to a person under 21 years of age.

**Section 95 – Permitting minor to illegally possess liquor in a dwelling**

AS 04.16.057(b) maintains current violation and adds \$500 fine.

**Section 96 – Purchase by or delivery to persons under the age of 21**

AS 04.16.060(e) relocates requirement for persons under the age of 16 to be accompanied by a person 21 years of age and have parental consent to remain in a restaurant that serves alcohol, now in proposed AS 04.09.450 in Section 9.

**Section 97**

AS 04.16.060 defines penalties for purchase by a person under 21 years of age and delivery to a person under 21 years of age. For persons under 21, adds similar penalty structure as those in AS 04.16.049 and AS 04.16.050, \$500 fine for violation with option to reduce fine to \$50 if youth completes treatment or community diversion panel.

**Sections 98-99 – Sales or consumption at school events**

AS 04.16.080 edits title for the section and specifies that the section applies to a person 21 years of age and older.

AS 04.16.080 specifies that this section applies to a person 21 years of age and older and lowers the penalty from a class A misdemeanor to a \$100 fine.

**Sections 100-101 – Prohibition of bottle clubs**

AS 04.16.090(c) makes list exclusive and adds cover charge and other services or products provided on the premises.

AS 04.16.090 defines the crime of maintaining a bottle club, relocates and maintains current penalty.

**Section 102 – Sale of certain alcoholic beverages prohibited**

AS 04.16.110 defines sale of a prohibited alcoholic beverage, relocates and maintains current penalty.

**Section 103 – Removal or introduction of alcoholic beverages**

AS 04.16.120 defines removal or introduction of alcoholic beverages, reduces penalty to a violation and defines exemptions.

**Sections 104-106 - Alcoholic beverages transported by common carrier**

AS 04.16.125(a) references board approval of a common carrier added in AS 04.09.750(b) and clarifies existing language.

AS 04.16.125(b) clarifies existing transport volumes by alcohol type.

AS 04.16.125(d)-(e) adds new subsections defining the crime of unauthorized transportation of alcoholic beverages by common carrier into a local option area and maintains current class A misdemeanor.

**Section 107 - Stock confined to licensed premises**

AS 04.16.130 lowers the penalty for unauthorized storage of alcoholic beverages from a **misdemeanor to a violation**.

**Section 108 - Sale or consumption of alcoholic beverages in a warehouse**

AS 04.16.140 lowers the penalty for consumption or sale of alcoholic beverages in a warehouse from a **misdemeanor to a violation**.

**Section 109 - Licensee responsible for violations**

AS 04.16.150 lowers the penalty for failure to ensure compliance from a **misdemeanor to a violation**.

**Section 110 - Restriction on purchasing alcoholic beverages**

AS 04.16.160 maintains current penalty for failure to comply with a restriction on purchasing alcoholic beverages.

**Sections 111 - 112 - Source of alcoholic beverages**

AS 04.16.170 exempts winery direct shipment license and maintains current penalty for sale of alcoholic beverages from or to an unlicensed person.

**Sections 113 - 114 - Restrictions on purchase and sale of alcoholic beverages**

AS 04.16.172 renumbers cross-references to license types and maintains current penalty for licensee obtaining alcoholic beverages from an unlicensed seller.

**Section 115 - Furnishing alcoholic beverages in aid of gambling enterprise**

AS 04.16.175 maintains current penalty for the crime of furnishing an alcoholic beverage in aid of a gambling enterprise.

**Section 116-118 - Penalties for violation**

AS 04.16.180(b) adds statutory references to prohibited conduct related to drunken persons and furnishing alcoholic beverages to persons under the age of 21 by licensees. Provides that a license shall be revoked after three convictions of specified penalties within five years i.e. serving minors.

AS 04.16.180(e) adds definition for “conviction”.

AS 04.16.180(f)-(g) adds clarification that licensees are subject to administrative penalties imposed by the board for violations of AS 04.16.030 (Section 80) and AS 04.16.052 (Section 93) and adds mitigating circumstances for licensees.

**Section 119 - 122 - Forfeitures and seizures**

AS 04.16.220(a) renumbers cross-references.

**Chapter 21. General Provisions.**

Pages 96-103

**Section 123 - Keg registration**

AS 04.21.012 adds new section establishing a keg registration process including proof of age, registration form requirements, identification tags, and establishes the penalty for possession and sale of alcoholic beverages in an unregistered keg.

**Section 124 - 125 - Civil liability of persons providing alcoholic beverages**

AS 04.21.020(a) renumbers cross-references.

**Section 126-129 - Alcohol server education course**

AS 04.21.025(a) repeal and reenact section to list license types that do not require server education training: only licenses not serving the public are exempt from requirement.

AS 04.21.025(b) adds reference to permit holders and individuals listed on an application as servers for a permitted event.

AS 04.21.025(c) adds reference to permit holders and requires servers listed on the permit application to have a current alcohol servers card by the first event day.

AS 04.21.025(f)-(h) provides exceptions to alcohol server education and defines the offense of failure to comply with alcohol server education requirements. Lowers the existing class A misdemeanor to a violation.

**Section 130 – Proof of age and of not being restricted from purchasing alcoholic beverages**

AS 04.21.050(a) renumbers cross-reference.

**Section 131 – Warehousing of alcoholic beverages**

AS 04.21.060 defines the offense of unauthorized warehousing and lowers penalty from a **misdemeanor to a violation**.

**Section 132 – Posting of warning signs**

AS 04.21.065(a) updates list of license types that require warning signs.

**Section 133**

AS 04.21.072. **Fines and other criminal penalties.** New section which provides that, unless otherwise stated, a violation of this title is a **\$250 fine**.

AS 04.21.074. **Bail forfeiture schedule.** Directs the supreme court to set a bail schedule for Title 4 violations.

AS 04.21.076. **Suspension of fine or sentence.** Prevents the court from suspending fines or sentences for minor offenses.

**Section 134 – Court records of persons under 21 years of age**

AS 04.21.078 adds additional statutory reference to violations of AS 04.16.060.

**Sections 135-137 – Definitions**

AS 04.21.080(b)(6) adds reference to permit holders and license holders.

AS 04.21.080(b)(15) adds endorsements.

AS 04.21.080(b)(21)-(30) adds definitions.

**Amendments to Various Other Titles.**

Pages 103-108

**Section 138 – Definitions**

AS 05.15.690(48) renumber beverage dispensary license reference and update “bar” definition.

**Section 139 – 145**

Amends references to Title 4 in Titles 9, 11, 12 and 18.

**Section 146 - Unlawful practices in places of public accommodation**

AS 18.80.230(b) amends reference to chapter 04.11.

**Section 147 - Definitions**

AS 39.50.200(b) adds the marijuana control board to list of state commissions or boards.

**Section 148 - Winery direct shipment tax; statement; audit**

AS 43.60.060 establishes tax collection on direct wine shipments from out of state businesses holding this license and outlines requirements for the Department of Revenue.

**Section 149 - 150**

AS 43.70.105(a) amends references to chapter 04.11 in Titles 43 and 45.

**Repealers, Transitions, Applicability, Court Rule Amendment, and Effective Dates.**

Pages 108-113

**Section 151**

Amends court rule 17 by adding statutory reference.

**Section 152**

Repealing section with effective date of January 1, 2020.

**Section 153**

Immediate repeal section.

**Section 154**

Repealing section with effective date of January 1, 2028.

**Section 155**

Repealing section with effective date of January 1, 2020.

**Section 156 - Uncodified law**

**Applicability.** States that changes apply to offenses committed on, or after the effective date.

**Section 157 - Transition**

**Conversion of applications and licenses.** Provides that the board shall convert all necessary licenses and applications within 90 days after the effective date of the section which is January 1, 2020.

**Section 158 - Transition**

**Seasonal restaurant or eating place license.** Converts applications for restaurant or eating place licenses to seasonal restaurant or eating place license application if the establishment serves beer and wine for a period not exceeding six months. This section has an immediate effective date.

**Section 159 - Transition**

**Regulations.** Directs the Department and the Board to adopt necessary regulations with an immediate effective date.

**Section 160**

Immediate effective date clause.

**Section 161**

January 1, 2020 effective date for the remainder of the act.

Staff Contact: Rachel Hanke 465-2828

# Senator Peter A. Micciche

*Alaska State Legislature*

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## SB76 Explanation of Changes

Ver. N to Ver. C

### Changes by Sponsor Prior to First Hearing

1. Page 6, lines 2, 9, 16: Remove replace "the" with "each"
2. Page 13, lines 3-4, page 26, lines 29-30, and page 112, lines 27-28: Insert existing definition for "entertainment", was left out inadvertently in drafting.
3. Page 19, lines 6-13: Clarify intent that a current recreational site license holder has four renewal periods to comply with statute.
4. Page 32, line 6 and page 33 line 12: Clarify intent by changing "may" to "shall".
5. Page 37, line 16: Specify that package stores are intended to deliver only to social events as defined by the board.
6. Page 38, lines 2, 5: Change "package store shipping" to "package store delivery", drafting error.
7. Page 41, AS 04.09.520 (Brewery Repackaging Endorsement): Strike previous (c)(2) which read "may only subdivide the holder's brewed beverages in response to a purchase from a person who is on the licensed premises". This section is redundant because a person is already required to be on the licensed premises.
8. Page 42, line 5: Replace "package store" with "brewery manufacturer", drafting error.
9. Page 42, line 10: Clarify intent by replacing "owned, wholly or in part" with "controlled".
10. Page 44, lines 22, 25: Change reference from board to the director at the request of legislative legal.
11. Page 45, lines 3-4, 31 and page 46, line 1: Grammatical changes for clarity.
12. Page 45, lines 27-30: Insert "An alcoholic beverage auction permit may be operated on the licensed premises of a beverage dispensary license, beverage dispensary tourism license, club license, restaurant or eating place license, or seasonal restaurant or eating place license." Existing regulation language specifies intent.
13. Page 54, line 9: Insert "license with" into title. Clarify that endorsements are used in conjunction with a license.
14. Page 63, lines 16-17, 20-23: Changes to clarify existing authority over restrictions.

15. Page 75, line 20: Remove "or a new location" to clarify that an endorsement cannot be transferred to a new location, the license does.
16. Page 76, lines 30-31: Conforms to current practice.
17. Page 81, line 31: Title change to accurately reflect the section.
18. Page 95 line 31, page 96 lines 1-2, 6-7, 22-23, 27-28: Minor language changes for clarity.
19. Page 112, line 27: Change five to three, conforms to the rest of the bill.
20. All effective dates updated.

#### Senate Labor & Commerce

1. Page 21, AS 04.09.310 (Brewery Retail License): Delete subsections (g) and (h). Remove reference to these in subsection (i).
2. Pages 22, AS 04.09.320 (Winery Retail License): Delete subsections (g) and (h). Remove reference to these in subsection (i).
3. Page 23, AS 04.09.330 (Distillery Retail License): Delete subsections (g) and (h). Remove reference to these in subsection (i).

Removal of subsections (g) eliminates the requirement of manufacturer retail licensees to sell not more than 20 percent of their total volume to the public after four license renewal periods. Removal of subsections (h) eliminates the grandfathering provisions for current manufacturer retail licensees from subsection (g).

4. Pages 97 and 99, AS 04.21.025(a) and (f): Restructures section for clarity. Adds existing section (e) to the penalty provision, subsection (g).

#### Senate Judiciary

1. Page 13, line 15: Lower \$2,500 biennial club license fee to \$1,500.
2. Page 18, line 25: Amends the sporting event license by allowing service from multiple noncontiguous locations.
3. Page 20, line 23: Amends the destination resort license by allowing service from multiple noncontiguous location.
4. Page 27, line 28: Insert "with a zip code" following "address".
5. Page 28, lines 22-23: Insert "zip codes that are located within" following "public inspection of".
6. Page 48, line 26 through page 50, line 3: Creates new Article 7. Common Carrier Approval in section 9 using subsections AS 04.16.125(a)-(f) and (i)-(l) from sections 104-106 (sec. 105 ver. M). This makes an important distinction between administrative violations against a common carrier licensee and the crime of unauthorized transportation of alcoholic beverages by a common carrier into a local option area by a person.
7. Page 68, line 31: Lower the waiting period between board petitions from 10 years to 5 years.

8. Page 86: Deletes previous sections 92 and 93 (secs. 91&92 ver. C) which amended the charges for furnishing or delivering to a minor. Intention is that penalties will remain unchanged.
9. Page 87, line 10: Renumbers the following sections accordingly. Removes violation penalty for renting a room for the purpose of providing alcoholic beverages to a person under 21 years of age and makes the crime a class A misdemeanor.
10. Page 88, lines 11, 15: Amends sections by specifying that a person 21 year of age or older is subject to the \$100 fine for consumption at a school event.
11. Page 89, lines 19-31 through page 90, line 14: Adds reference to new approved common carriers section [see change 6]. Simplifies existing AS 04.16.125 and relocates existing class A misdemeanor into new subsections (d) and (e) for clarity.

### Senate Finance

1. Page 18, line 30: adds "rodeos" to the definition of "sporting event site" to ensure that the current practice for sporting event licenses remains consistent.
2. Page 61, lines 13-15: codifies the current practice of allowing the sale of a beverage dispensary tourism license.
3. Page 61: Deletes previous section 37, which sunset AS 04.11.360(9) and (10) – these are now included with the repeals in section 152. All section numbers following this section have been renumbered.
4. Page 63, line 25; Page 64, lines 1, 12, 21, 27; Page 65, lines 25: statutory reference corrected.
5. Page 66, line 9: Corrects statutory references.
6. Page 68, line 31: shortens the time that a municipality must wait between requesting restaurant or eating place licenses to three years, instead of five years.
7. Page 82, lines 28-29: Rewords for clarity. The intent is that the license holder is liable for a violation by an employee and they are subject to a \$250 administrative penalty.
8. Page 85, line 25 through page 86, line 18: makes conforming changes to AS 04.16.051(d) and adds a new (e). These sections insert existing penalties into the correct sections and reformats the language to conform to the rest of the bill.
9. Page 86, lines 20-24: Rewords for clarity. The intent is that the license holder is liable for a violation by an employee and they are subject to a \$250 administrative penalty.
10. Page 88, lines 12-13: clarifies the intent of the prohibition on "consuming alcohol at a school event."
11. Page 92, lines 19-23: requires a license to be revoked if for a third violation of certain offenses within five years:
  - o 04.16.022 Online sales and purchase of alcoholic beverages
  - o 04.16.030 Prohibited conduct relating to drunken persons

- 04.16.052 Furnishing of alcoholic beverages to persons under the age of 21 by licensees.
  - 04.16.110 Sale of certain alcoholic beverages prohibited.
  - 04.16.175 Furnishing alcoholic beverages in aid of gambling enterprise.
12. Page 104, lines 11-13: Reformats the language to conform to the rest of the bill.
  13. Page 109, line 3: Adds repeals that were previously in section 37 (see page 61 note).
  14. Page 109, lines 10-11 through page 111, line 22: Corrects section numbers and statutory references in applicability and transition language.
  15. Page 113, lines 8-9: Corrects effective dates – specifically removes previous sections 96 and 133 from immediate effective date provision and add sections 157(a)(1), 157(a)(2) and 157 (b)(8).

Staff Contact: Rachel Hanke 465-2828

Senator.Peter.Micciche@akleg.gov

# Fiscal Note

State of Alaska  
2018 Legislative Session

Bill Version: SB 76  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: SB76CSSS(JUD)-DCCED-AMCO-04-16-18  
Title: ALCOHOLIC BEVERAGE CONTROL; ALCOHOL  
REG  
Sponsor: MICCICHE  
Requester: (S) Finance

Department: Department of Commerce, Community and  
Economic Development  
Appropriation: Alcohol and Marijuana Control Office  
Allocation: Alcohol and Marijuana Control Office  
OMB Component Number: 3119

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2019 Appropriation Requested	Included in Governor's FY2019 Request	Out-Year Cost Estimates					
			FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>OPERATING EXPENDITURES</b>								
Personal Services	73.2		73.2					
Travel	9.8		9.8	6.4				
Services	287.0		337.0	50.0	50.0	50.0	50.0	50.0
Commodities	11.8		0.8					
Capital Outlay								
Grants & Benefits								
Miscellaneous								
<b>Total Operating</b>	<b>381.8</b>	<b>0.0</b>	<b>420.8</b>	<b>56.4</b>	<b>50.0</b>	<b>50.0</b>	<b>50.0</b>	<b>50.0</b>

**Fund Source (Operating Only)**

1005 GF/Prgm (DGF)	381.8		420.8	56.4	50.0	50.0	50.0
<b>Total</b>	<b>381.8</b>	<b>0.0</b>	<b>420.8</b>	<b>56.4</b>	<b>50.0</b>	<b>50.0</b>	<b>50.0</b>

**Positions**

Full-time							
Part-time							
Temporary	1.0		1.0				

**Change in Revenues**

1005 GF/Prgm (DGF)			527.0	472.0	472.0	472.0	472.0
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>527.0</b>	<b>472.0</b>	<b>472.0</b>	<b>472.0</b>	<b>472.0</b>

**Estimated SUPPLEMENTAL (FY2018) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2019) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes  
If yes, by what date are the regulations to be adopted, amended or repealed? 01/01/20

**Why this fiscal note differs from previous version/comments:**

Updated Change in Revenues section to reflect changes made to club licenses in the latest committee substitute. Updated travel line to correct typo.

Prepared By: <u>Erika McConnell, Director</u>	Phone: <u>(907)269-0351</u>
Division: <u>Alcohol and Marijuana Control Office</u>	Date: <u>04/16/2018</u>
Approved By: <u>Catherine Reardon, Director</u>	Date: <u>04/16/18</u>
Agency: <u>Division of Administrative Services, DCCED</u>	

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2018 LEGISLATIVE SESSION

BILL NO. SSSB76

### Analysis

This bill is a result of recommendations from a five-year process initiated by the Alcoholic Beverage Control (ABC) Board to improve the structure, organization, specific policies, and associated implementation issues in alcohol regulation.

#### **EXPENDITURES (in thousands)**

The liquor licensing functions of the Alcohol and Marijuana Control Board are fully funded by program receipts from licensing fees. The agency anticipates that additional receipt authority is needed to accomplish the requirements of this legislation. Collection of alcohol licensing receipts is anticipated to be sufficient to fund these expenditures.

As a result of this bill, regulations across 3 AAC 304 will need to be rewritten by the Alcoholic Beverage Control Board. AMCO does not have existing capacity to manage an extensive regulations project, so a long-term non-permanent position is requested for two years, along with necessary services and supplies.

The Alcoholic Beverage Control Board will add four full days of meetings, likely to existing meetings planned, in the first two fiscal years to review, propose, and adopt regulations under the Administrative Procedure Act.

SB76 adds educational outreach responsibility to the Alcoholic Beverage Control Board, which will serve as the lead agency and provide written and web-based publications to various stakeholders across the state. The existing Local Government Specialist IV will coordinate this program, and additional expenditure authority will be needed to produce materials and travel to engage with industry, the public, municipalities, rural governments, and other stakeholders.

The aged alcohol licensing database needs to be replaced with licensing workflow/database software to comply with data collection, research, and reporting requirements. The initial costs for this will be spread over the first two years, with an annual maintenance fee after the first year.

1000 Personal Services Long-term non-permanent Regulations Specialist II range 16 to develop regulations:  
\$73.2/year for the first two years

2000 Travel Board travel costs for four additional days of meetings: \$3.4/year for the first two years (\$1.6/meeting day)  
Local Government Specialist travel for two-day trips to each of the four judicial districts per year: \$6.4/year for the first three years (\$1.6/two-day trip)

3000 Services Attorney review of regulations: \$12.0/year in each of the first two years (75 hours/year)  
Printing, design, and publication costs for education materials: \$10.0/year for the first two years  
Database development/acquisition: \$250.0/year in the first two years  
Software maintenance: \$50.0/year beginning in year two  
Statewide core services and allocated costs: \$15.0/year

4000 Supplies: Start-up costs for new employee (computer, cubicle): \$10.0 in the first year  
Printing/public notice: \$0.8/year for the first two years  
Postage: \$1.0/year for the first two years

The Department of Public Safety will provide access to the TRACS mobile citation system at no cost, which will allow enforcement to issue, manage, and transmit citations to defendants and the Alaska Court System.

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2018 LEGISLATIVE SESSION

BILL NO. SSSB76

### Analysis

#### **FEE CHANGES (in whole dollars)**

Revenues are anticipated to increase due to a re-evaluation of the fee structure by the Steering Committee along with increased expectations and requirements for administration, education, and enforcement.

Certain biennial license fees have been increased:

- Manufacturing licenses have been standardized at \$1,500 (up from \$500 for wineries and \$1,000 for breweries and distilleries)
- Retail on-site service at manufacturing facilities is made a new license type with a \$1,250 license fee
- Destination Resort, and Outdoor Recreation Lodge licenses have been standardized at \$2,500 (up from \$1,200 for clubs and \$1,250 for resorts and lodges)
- Club licenses have been increased from \$1,200 to \$1,500
- All retail licenses that serve only beer and wine are standardized at \$1,250 (up from \$400-\$800)

Certain biennial license fees have been decreased:

- Wholesaler base license fee is unchanged but annual transaction fees are reduced
- Duplicate Beverage Dispensary Licenses are changed to endorsements, reducing the fee from a biennial \$2,500 fee to an one-time endorsement fee of \$1,250 and a biennial fee of \$200

Endorsements are a new concept in Title 4, created as add-ons to licenses to address specific needs or situations. Each endorsement has a biennial fee of \$200 (the multiple fixed-counter endorsement, which replaces the BDL Duplicate license, also has a one-time issuance fee of \$1,250). This fiscal note assumes an average of one endorsement per license; in reality, some licenses will have multiple endorsements and some licenses will have no endorsements.

Permit fees are clarified to be a per-day fee of \$50 (ABC Board may increase, but not decrease, fee by regulation) rather than a per-event fee. The negligible increase resulting from this change is not shown in this fiscal note.

#### **REVENUE SUFFICIENCY (in thousands)**

AMCO anticipates significant expenditures to prepare for the changes made by the bill before we will see increased revenues from the bill. However, receipt collections in FY2019 are anticipated to be sufficient to support increased expenditures for two reasons:

- 1) alcohol revenue has exceeded alcohol expenditures by an average of \$280.0/year over the last five years.
- 2) the ABC Board approved a regulations project that increases the application fees for new, transfer, and renewal applications, from which we anticipate an increase of \$175.0 in revenues in FY2019.

AMCO anticipates sufficient alcohol receipts to support the expenditures should SB 76 be enacted.

# Fiscal Note

State of Alaska  
2018 Legislative Session

Bill Version:	CSSSSB 76(L&C)
Fiscal Note Number:	2
(S) Publish Date:	4/6/2018

Identifier: SB076SS-DHSS-PS-3-9-18  
 Title: ALCOHOLIC BEVERAGE CONTROL; ALCOHOL REG  
 Sponsor: MICCICHE  
 Requester: Senate LC

Department: Department of Health and Social Services  
 Appropriation: Juvenile Justice  
 Allocation: Probation Services  
 OMB Component Number: 2134

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2019	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2019 Request	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>OPERATING EXPENDITURES</b>	<b>FY 2019</b>	<b>FY 2019</b>					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<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>0.0</b>

**Fund Source (Operating Only)**

None							
<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>	<b>0.0</b>

**Positions**

Full-time							
Part-time							
Temporary							

**Change in Revenues**

None							
<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>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2018) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2019) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? NO  
 If yes, by what date are the regulations to be adopted, amended or repealed? n/a

**Why this fiscal note differs from previous version/comments:**

Not applicable; initial version.

Prepared By:	Tracy Dompeling, Director	Phone:	(907)465-2212
Division:	Juvenile Justice	Date:	03/09/2018
Approved By:	Shawnda O'Brien, Asst. Commissioner	Date:	03/09/18
Agency:	Health and Social Services		

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2018 LEGISLATIVE SESSION

## Analysis

The bill overhauls the licensing statute for alcohol related businesses and includes minor alignments in the crimes and offenses related to conduct involving alcohol. Offenses related to the underage consumption and possession of alcohol were amended under SB165 in 2016 (Chapter 32 SLA 16). This bill applies a similar methodology to the offenses of *purchase by a person under 21 years of age* and *furnishing or delivery to a person under 21 years of age*.

The bill replaces the existing misdemeanor offenses of *furnishing or delivery to a person under 21 years of age* and *purchase by a person under 21 years of age* with violations and a \$500 fine. Minors can have the fine reduced to \$50 for the first or second offense if they complete an alcohol safety action program or community diversion panel. After the 2<sup>nd</sup> offense, the fine can be reduced to \$250 after completion of an alcohol safety action program or community diversion panel. The bill prohibits information about minors cited for these offenses from being included in the Court System's public Courtview website.

The bill also adjusts the crime of *sale or consumption of alcoholic beverages at school events* from a Class A misdemeanor to a violation and \$100 fine. There is no distinction made between adults and underage individuals who commit this offense.

Under existing statute, juvenile offenders cited for the criminal offenses adjusted by the bill are referred to the Division of Juvenile Justice. Referral to the division for these offenses is rare. The misdemeanor offense of *delivery to a person under 21 years of age* is most commonly referred, with 24 referrals in the last five fiscal years. The division has not received any referrals for the crime of *sale or consumption of alcoholic beverages at school events* in the last five years.

Minors cited for the new ticketable violations of *purchase by a person under 21 years of age* and *delivery to a person under 21 years of age*, and *consumption of alcoholic beverages at school events* will be under the jurisdiction of the District Court.

This bill is not expected to have programmatic or fiscal impacts to the Division of Juvenile Justice.



# 30<sup>th</sup> Alaska State Legislature

## House Labor and Commerce Committee

### **Chairman:**

Rep. Sam Kito  
State Capitol 403  
907-465-4766

### **Vice Chairman:**

Rep. Adam Wool

### **Members:**

Rep. Chris Birch  
Rep. Andy Josephson  
Rep. Gary Knopp  
Rep. Louise Stutes  
Rep. Colleen Sullivan-  
Leonard

### **Committee Aide:**

Caitlyn Ellis  
State Capitol 403  
907-465-4767

### **Committee Contact:**

hlac@akleg.gov  
907-465-4954

### Explanation of Changes

#### House CS for CS for SS for Senate Bill 76 Alcoholic Beverage Control; Alcohol Regulation Version C to Version S 5.3.18

Version S makes the following changes to SB 76 version C:

- Sec 04.09.330, Page 23, line 28 *Distillery retail license*. Adds: "The holder of a distillery retail license may combine the holder's distilled spirits under this subsection with other ingredients that are not alcoholic beverages, including mixers, liquids, and garnishes."
- Sec 04.09.350, Page 26, line 4 *Seasonal Restaurant or eating place tourism license* Changes population requirements from "20,000 or less" to "40,000 or less".
- Sec 04.09.350, Page 26, line 27 *Seasonal Restaurant or eating place tourism license* & 04.09.210(d) Page 12, line 30 *Restaurant or eating place license* modify allowable hours for providing entertainment from 3 PM to 11 AM.
- Sec 04.09.410, Page 30, lines 20-22 *Manufacturer sampling endorsement*, add "; the holder of the distillery manufacturer license may combine the holder's distilled spirits under this paragraph with other ingredients that are not alcoholic beverages, including mixers, liquids, and garnishes."
- AS 04.09.490, Page 39, lines 14-20 *Package store sampling endorsement*  
The holder of a package store sampling endorsement may serve a total volume of samples that does not exceed [12] 6 oz of beer or cider, if the cider contains 8.5% alcohol by volume; [6] 3 oz of wine, mead, sake, or cider, if the cider contains 8.5% or more alcohol by volume; or [1.5] .75 oz of distilled spirits.
- AS 04.11.170, Page 52, lines 20-25 *Distillery license*  
New sections added to read:  
(f) The holder of a distillery license may combine the distiller's product under (d) and (e) of this section with other ingredients, including mixers, liquids, or garnishes, that are not alcoholic beverages.



# 30<sup>th</sup> Alaska State Legislature

## House Labor and Commerce Committee

**Chairman:**

Rep. Sam Kito  
State Capitol 403  
907-465-4766

**Vice Chairman:**

Rep. Adam Wool

**Members:**

Rep. Chris Birch  
Rep. Andy Josephson  
Rep. Gary Knopp  
Rep. Louise Stutes  
Rep. Colleen Sullivan-  
Leonard

**Committee Aide:**

Caitlyn Ellis  
State Capitol 403  
907-465-4767

**Committee Contact:**

hlac@akleg.gov  
907-465-4954

(g) In this section, “distillery’s product” means an alcoholic beverage distilled on the licensed premises.

- AS 04.11.400(a), Page 66, lines 2-3, *Distillery license*  
Add “one” before “winery retail”, remove “or” add “and one” before “distillery retail license for each 9,000 population or fraction of that population”.
- AS 04.11.670, Page 78, lines 24-31, Page 79 lines 1-3, *Foreclosure*  
Allows license issued under this title is to be subject to foreclosure and be used as collateral to secure a debt if the license is transferred to another person, and the transferor secures payment for real and personal property conveyed to the transferee upon the promise of the transferee to transfer the license back to the transferor upon default in payment.
- AS 04.16.180(b), Page 93, lines 6-7, *Revocation of a license*  
Eliminates the requirement of license revocation for certain violations, and reverts to earlier language: “on third conviction, the license of the premises involved may be suspended or revoked.”

30-LS0015\S  
Bruce  
5/3/18

**HOUSE CS FOR CS FOR SS FOR SENATE BILL NO. 76(L&C)**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**THIRTIETH LEGISLATURE - SECOND SESSION**

**BY THE HOUSE LABOR AND COMMERCE COMMITTEE**

**Offered:**

**Referred:**

**Sponsor(s): SENATORS MICCICHE, von Imhof, Giessel, Kelly**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to alcoholic beverages; relating to the regulation of manufacturers,**  
2 **wholesalers, retailers, and common carriers of alcoholic beverages; relating to licenses,**  
3 **endorsements, and permits involving alcoholic beverages; relating to the Alcoholic**  
4 **Beverage Control Board; relating to offenses involving alcoholic beverages; amending**  
5 **Rule 17(h), Alaska Rules of Minor Offense Procedure; and providing for an effective**  
6 **date."**

7 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

8 **\* Section 1.** AS 04.06.075 is amended by adding a new subsection to read:

9 (b) The director shall prepare and submit to the board an annual budget for the  
10 board that includes funding for administration, enforcement, education, training, and  
11 prevention activities under this title.

12 **\* Sec. 2.** AS 04.06.080 is amended to read:

13 **Sec. 04.06.080. Delegation of authority.** The director shall issue, renew,

1 transfer, suspend, or revoke all licenses, endorsements, and permits at the direction of  
2 the board. However, notwithstanding AS 04.06.090(b) [AS 04.11.070], the board may  
3 delegate authority to the director to temporarily grant or deny the issuance, renewal, or  
4 transfer of licenses, endorsements, and permits. The director's temporary grant or  
5 denial of the issuance, renewal, or transfer of a license, endorsement, or permit is not  
6 binding on the board. The board may delegate to the director any duty imposed by this  
7 title except its power to propose and adopt regulations.

8 \* **Sec. 3.** AS 04.06.090(b) is amended to read:

9 (b) Only the board may issue, renew, transfer, relocate, suspend, or  
10 revoke a license or endorsement under this title. The board shall review all  
11 applications for licenses and endorsements made under this title and may order the  
12 director to issue, renew, revoke, transfer, or suspend licenses, endorsements, and  
13 permits authorized under this title.

14 \* **Sec. 4.** AS 04.06.090(e) is amended to read:

15 (e) The board shall promptly notify all licensees and municipalities of major  
16 changes to this title and to regulations adopted under this title. However, if changes  
17 only affect specific classifications of licenses, endorsements, and permits, the board  
18 need only notify those licensees and municipalities directly affected by the changes.  
19 Current copies of this title and current copies of the regulations adopted under it shall  
20 be made available at all offices in the state of the Department of Commerce,  
21 Community, and Economic Development and the detachment headquarters and posts  
22 maintained by the division of Alaska state troopers in the Department of Public Safety.

23 \* **Sec. 5.** AS 04.06.090 is amended by adding new subsections to read:

24 (f) The board shall develop a comprehensive plan to educate public safety  
25 professionals, the alcoholic beverage industry, individuals under 21 years of age, local  
26 governments, established villages, and the general public on the responsible use of  
27 alcoholic beverages and on relevant state statutes, regulations, and policies. The board  
28 shall update and revise the plan annually.

29 (g) The board shall review the fees specified in this title and regulations  
30 adopted under this title at least every 10 years.

31 (h) The board may, within 30 days after the introduction of a bill amending a

1 provision of this title or adding a new provision to this title, prepare an advisory  
2 opinion regarding the changes proposed in the bill.

3 (i) The board shall, within 30 business days after receiving notice of a  
4 conviction or violation under this title, provide a copy of the conviction or violation to  
5 the holder of a license if an offense or violation occurred on the holder's licensed  
6 premises and the holder is not the subject of the conviction or violation.

7 (j) The board shall post information on the board's Internet website about fetal  
8 alcohol syndrome and fetal alcohol effects resulting from a woman consuming alcohol  
9 during pregnancy.

10 \* **Sec. 6.** AS 04.06.095 is amended to read:

11 **Sec. 04.06.095. Statewide database.** (a) The board, after consulting with  
12 package store licensees, shall create and maintain a statewide database that contains a  
13 monthly record of the alcohol purchased by, and shipped to, a person who resides in a  
14 municipality or established village that has restricted the sale of alcoholic beverages  
15 under AS 04.11.491(a)(1), (2), or (3) or (b)(1) or (2).

16 (b) Except as otherwise specifically provided in this section, the information  
17 contained in the database is confidential and is not subject to inspection or copying  
18 under AS 40.25.110 - 40.25.220. **Personally identifiable information, including**  
19 **business names and addresses,** [INFORMATION] in the database shall be purged  
20 one year after entry unless it is needed for criminal investigation or prosecution. **All**  
21 **other information in the database shall be retained in aggregate form and purged**  
22 **10 years after entry.** Information in the database is available only to

23 (1) a package store licensee, agent, or employee to consult before  
24 shipping alcohol to a purchaser in a restricted area **under a package store shipping**  
25 **endorsement** as provided in **AS 04.09.460** [AS 04.11.150(g)];

26 (2) a law enforcement officer;

27 (3) a probation or parole officer;

28 (4) the board; and

29 (5) the person who is the subject of the information; the board shall  
30 adopt regulations concerning access by a person to information contained in the  
31 database of the purchases by, and shipments to, that person.

1 \* **Sec. 7.** AS 04.06.095 is amended by adding a new subsection to read:

2 (c) The board shall produce an annual report of the aggregate regional and  
3 statewide data from the database, excluding personally identifiable information and  
4 the names and addresses of businesses, and shall make the report available for public  
5 inspection and copying under AS 40.25.110 - 40.25.220. The report must include  
6 information about the total volume of alcohol received in each municipality or  
7 established village.

8 \* **Sec. 8.** AS 04.06.100(b) is amended to read:

9 (b) The subjects covered by regulations adopted under (a) of this section may  
10 include the following matters:

11 (1) employment, conduct, and duties of the director and of regular and  
12 contractual employees of the board;

13 (2) procedures for the issuance, denial, renewal, transfer, revocation,  
14 and suspension of licenses, endorsements, and permits;

15 (3) terms and conditions of licenses, endorsements, and permits  
16 issued;

17 (4) fees for licenses, endorsements, and permits issued for which fees  
18 are not prescribed by statute;

19 (5) conduct of regular and special meetings of the board;

20 (6) delegation to the director of routine administrative functions and  
21 powers;

22 (7) the temporary granting or denial of issuance, transfer, and renewal  
23 of licenses and endorsements;

24 (8) manner of giving any notice required by law or regulation when not  
25 provided for by statute;

26 (9) requirements relating to the qualifications of licensees, the  
27 conditions upon which a license may be issued, the accommodations of licensed  
28 premises, and board inspection of those premises;

29 (10) making of reports by wholesalers;

30 (11) purchase of fidelity bonds by the state for the director and the  
31 employees of the board;

1 (12) prohibition of possession of alcoholic beverages by drunken  
2 persons and by minors;

3 (13) required reports from corporations licensed under this title,  
4 including reports of stock ownership and transfers and changes of officers and  
5 directors;

6 (14) [CREATION OF CLASSIFICATIONS OF LICENSES OR  
7 PERMITS NOT PROVIDED FOR IN THIS TITLE;

8 (15)] establishment and collection of fees to be paid on application for  
9 a license, endorsement, or permit;

10 (15) [(16)] required reports from partnerships and limited partnerships  
11 licensed under this title, including reports of transferred interests of 10 percent or  
12 more;

13 (16) [(17)] required reports from limited liability organizations  
14 licensed under this title, including reports of the transfer of a member's interest if the  
15 transfer equals 10 percent or more of the ownership of the limited liability  
16 organization and any change of managers;

17 (17) restrictions on the manufacture, packaging, sale, and  
18 distribution of products containing alcohol that are intended for human  
19 consumption.

20 \* **Sec. 9.** AS 04 is amended by adding a new chapter to read:

21 **Chapter 09. Licenses, Endorsements, and Permits.**

22 **Article 1. License Types.**

23 **Sec. 04.09.010. Types of licenses.** A license defines activities allowed daily on  
24 licensed premises. License type is a general category of license activity based on the  
25 three-tier system of alcohol regulation. The three types of licenses the board may issue  
26 are manufacturer, wholesale, and retail licenses. The board may issue only the licenses  
27 authorized in AS 04.09.020 - 04.09.360.

28 **Article 2. Manufacturer Licenses.**

29 **Sec. 04.09.020. Brewery manufacturer license.** (a) A brewery manufacturer  
30 license authorizes the holder to operate a brewery for the manufacture, packaging,  
31 storing, and sale of its brewed beverages to a buyer as permitted in AS 04.09.050.

1 (b) The biennial brewery manufacturer license fee is \$1,500.

2 (c) At least 80 percent of each final product that contains brewed beverages  
3 offered for sale by the holder of a brewery manufacturer license must be manufactured  
4 on the holder's licensed premises in the state.

5 **Sec. 04.09.030. Winery manufacturer license.** (a) A winery manufacturer  
6 license authorizes the holder to operate a winery for the manufacture, packaging,  
7 storing, and sale of its wine to a buyer as permitted in AS 04.09.050.

8 (b) The biennial winery manufacturer license fee is \$1,500.

9 (c) At least 80 percent of each final product that contains wine offered for sale  
10 by the holder of a winery manufacturer license must be manufactured on the holder's  
11 licensed premises in the state.

12 **Sec. 04.09.040. Distillery manufacturer license.** (a) A distillery manufacture  
13 license authorizes the holder to operate a distillery for the manufacture, packaging,  
14 storing, and sale of its distilled spirits to a buyer as permitted in AS 04.09.050.

15 (b) The biennial distillery manufacturer license fee is \$1,500.

16 (c) At least 80 percent of each final product that contains distilled spirits  
17 offered for sale by the holder of a distillery manufacturer license must be  
18 manufactured on the holder's licensed premises in the state.

19 **Sec. 04.09.050. Authorized sales.** (a) The holder of a manufacturer license  
20 that annually produces in total less than 300,000 barrels of brewed beverages, less than  
21 50,000 nine-liter-equivalent cases of wine, or less than 50,000 nine-liter-equivalent  
22 cases of distilled spirits may sell its product to

- 23 (1) the holder of a wholesale license issued under this chapter;  
24 (2) the holder of a retail license issued under this chapter;  
25 (3) the holder of a permit issued under this chapter;  
26 (4) an entity in another state or country.

27 (b) The holder of a manufacturer license that annually produces in total  
28 300,000 barrels or more of brewed beverages, 50,000 nine-liter-equivalent cases or  
29 more of wine, or 50,000 nine-liter-equivalent cases or more of distilled spirits may sell  
30 its product to

- 31 (1) the holder of a wholesale license issued under this chapter;

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(2) an entity in another state or country.

(c) For purposes of calculating the volume that the holder of a manufacturer license produces under this section, the volume of production must include all production by

(1) the holder of the manufacturer's license; and

(2) an officer, director, agent, employee, or affiliate of the holder; in this paragraph, "affiliate" means a person that directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, a corporation.

**Sec. 04.09.060. Unlicensed manufacturing.** (a) A person commits the crime of unlicensed manufacturing if the person knowingly operates a

(1) brewery without a brewery manufacturer license;

(2) winery without a winery manufacturer license; or

(3) distillery without a distillery manufacturer license.

(b) Unlicensed manufacturing is a class A misdemeanor.

**Sec. 04.09.070. Unlicensed manufacturing in a local option area.** (a) A person commits the crime of unlicensed manufacturing in a local option area if the person knowingly operates in an area that has adopted a local option under AS 04.11.491 a

(1) brewery without a brewery manufacturer license;

(2) winery without a winery manufacturer license; or

(3) distillery without a distillery manufacturer license.

(b) Unlicensed manufacturing in a local option area is a class C felony.

**Sec. 04.09.080. Unauthorized manufacturer sale.** (a) Except as provided in AS 04.09.310 - 04.09.330, a person who holds a manufacturer license commits the offense of unauthorized manufacturer sale if the person sells its product in violation of AS 04.09.050.

(b) Unauthorized manufacturer sale is a violation.

**Sec. 04.09.090. Definition.** In AS 04.09.020 - 04.09.090, "packaging" means the process of containing alcoholic beverages in bottles or other types of containers for purpose of resale.

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**Article 3. Wholesale Licenses.**

**Sec. 04.09.100. General wholesale license.** (a) A general wholesale license authorizes the holder to sell alcoholic beverages at wholesale. The holder of a general wholesale license may not sell to a person not licensed under this title, except as provided in AS 04.21.040.

(b) The biennial general wholesale license fee is \$2,000.

(c) In addition to the license fee under (b) of this section, the holder of a general wholesale license shall pay an annual fee based on the total value of business transacted by the wholesale business, including the excise tax imposed by AS 43.60.010. If the total value of business transacted during the calendar year including the excise tax imposed by AS 43.60.010 is

- (1) less than or equal to \$100,000, then the annual fee is \$0;
- (2) over \$100,000 and not over \$150,000, then the annual fee is \$250;
- (3) over \$150,000 and not over \$200,000, then the annual fee is \$500;
- (4) over \$200,000 and not over \$250,000, then the annual fee is \$750;
- (5) over \$250,000 and not over \$300,000, then the annual fee is \$1,000;
- (6) over \$300,000 and not over \$350,000, then the annual fee is \$1,250;
- (7) over \$350,000 and not over \$400,000, then the annual fee is \$1,500;
- (8) over \$400,000 and not over \$500,000, then the annual fee is \$2,000;
- (9) over \$500,000 and not over \$600,000, then the annual fee is \$2,500;
- (10) over \$600,000 and not over \$700,000, then the annual fee is \$3,000;
- (11) over \$700,000 and not over \$800,000, then the annual fee is \$3,500;
- (12) over \$800,000 and not over \$1,000,000, then the annual fee is \$4,500;

(13) over \$1,000,000, then the annual fee is \$10,000.

**Sec. 04.09.110. Limited wholesale brewed beverage and wine license.** (a) A

limited wholesale brewed beverage and wine license authorizes the holder to sell brewed beverages and wine at wholesale. The holder of a limited wholesale brewed beverage and wine license may not sell to a person not licensed under this title, except as provided in AS 04.21.040.

(b) The biennial limited wholesale brewed beverage and wine license fee is \$400.

(c) In addition to the license fee under (b) of this section, the holder of a limited wholesale brewed beverage and wine license shall pay an annual fee based on the total value of business transacted by the wholesale business, including the excise tax imposed by AS 43.60.010. If the total value of business transacted during the calendar year including the excise tax imposed by AS 43.60.010 is

- (1) less than or equal to \$20,000, then the annual fee is \$0;
- (2) over \$20,000 and not over \$50,000, then the annual fee is \$150;
- (3) over \$50,000 and not over \$100,000, then the annual fee is \$500;
- (4) over \$100,000 and not over \$150,000, then the annual fee is \$750;
- (5) over \$150,000 and not over \$200,000, then the annual fee is \$1,000;
- (6) over \$200,000 and not over \$400,000, then the annual fee is \$2,000;
- (7) over \$400,000 and not over \$600,000, then the annual fee is \$3,000;
- (8) over \$600,000 and not over \$800,000, then the annual fee is \$4,000;
- (9) over \$800,000, then the annual fee is \$10,000.

**Sec. 04.09.120. Annual fee and affidavit.** (a) Not later than February 28 of

each year the holder of a general wholesale license or a limited wholesale brewed beverage and wine license shall pay the annual fee for the license for the preceding calendar year, and file with the board an affidavit showing the

- (1) total value of business transacted under the license by the

1 wholesale business, including the excise tax imposed by AS 43.60.010, during the  
2 preceding calendar year; and

3 (2) location of the licensed premises at which the business was  
4 transacted.

5 (b) Failure to file an affidavit under (a) of this section or the expiration of a  
6 license under AS 04.11.540 does not relieve a licensee from paying the prescribed  
7 annual fee.

8 **Sec. 04.09.130. Wholesale supplier declaration.** (a) A person who applies for  
9 issuance or renewal of a general wholesale license or a limited wholesale brewed  
10 beverage and wine license shall submit to the board, on a form prescribed by the  
11 board, a declaration that the person is the appointed wholesaler of the distiller, brewer,  
12 vintner, or importer of each product line of alcoholic beverage that the person intends  
13 to purchase, offer for sale, or sell. The form must include a space for the person to  
14 indicate the total number of suppliers. The board may request a list of suppliers, or  
15 additional information about a product line.

16 (b) A person filing a declaration under this section shall pay a biennial filing  
17 fee. If the declaration lists

18 (1) one to 25 suppliers, the fee is \$500;

19 (2) 26 to 50 suppliers, the fee is \$1,000;

20 (3) 51 to 75 suppliers, the fee is \$1,500;

21 (4) 76 or more suppliers, the fee is \$2,000.

22 (c) In this section, "distiller, brewer, vintner, or importer" includes an  
23 exclusive agent of the distiller, brewer, vintner, or importer if the agent's name appears  
24 on the label of the brand approved by the Alcohol and Tobacco Tax and Trade Bureau.

25 **Sec. 04.09.140. Unlicensed wholesale sale.** (a) A person commits the crime of  
26 unlicensed wholesale sale if the person knowingly sells

27 (1) distilled spirits at wholesale without a general wholesale license; or

28 (2) brewed beverages or wine at wholesale without a general wholesale  
29 license or a limited wholesale brewed beverage and wine license.

30 (b) Unlicensed wholesale sale is a class A misdemeanor.

31 **Sec. 04.09.145. Unlicensed wholesale sale in a local option area.** (a) A

1 person commits the crime of unlicensed wholesale sale in a local option area if the  
2 person knowingly sells in an area that has adopted a local option under AS 04.11.491

3 (1) distilled spirits at wholesale without a general wholesale license; or

4 (2) brewed beverages or wine at wholesale without a general wholesale  
5 license or a limited wholesale brewed beverage and wine license.

6 (b) Unlicensed wholesale sale in a local option area is a class C felony.

7 **Sec. 04.09.150. Failure to pay annual fee or file affidavit.** (a) A person  
8 commits the offense of failure to pay an annual wholesale fee or file a wholesale  
9 affidavit if the person fails to pay the annual fee or file the affidavit as required under  
10 AS 04.09.120.

11 (b) Failure to pay an annual wholesale fee or file a wholesale affidavit is a  
12 violation.

13 **Sec. 04.09.160. Failure to pay biennial fee or file declaration.** (a) A person  
14 commits the offense of failure to pay a biennial supplier fee or file a supplier  
15 declaration if the person fails to pay the biennial supplier fee or file the declaration as  
16 required under AS 04.09.130.

17 (b) Failure to pay a biennial supplier fee or file a supplier declaration is a  
18 violation.

#### 19 **Article 4. Retail Licenses.**

20 **Sec. 04.09.200. Beverage dispensary license.** (a) A beverage dispensary  
21 license authorizes the holder to sell or serve on the licensed premises alcoholic  
22 beverages for consumption only on the licensed premises.

23 (b) The biennial beverage dispensary license fee is \$2,500.

24 (c) The holder of a beverage dispensary license may not maintain on the  
25 licensed premises more than one room in which there is regularly maintained a fixed  
26 counter or service bar that has plumbing connections to permanent plumbing at which  
27 alcoholic beverages are sold or served to members of the public for consumption,  
28 unless the license has a multiple fixed counter endorsement under AS 04.09.420.

29 (d) Except as provided under AS 04.09.610, 04.09.640, 04.09.670, and  
30 AS 04.16.120(c), the holder of a beverage dispensary license who sells or serves  
31 alcoholic beverages off the licensed premises or permits consumption off the premises

1 of alcoholic beverages sold or served on the premises commits the offense of  
2 unauthorized beverage dispensary activity.

3 (e) Unauthorized beverage dispensary activity is a violation.

4 **Sec. 04.09.210. Restaurant or eating place license.** (a) A restaurant or eating  
5 place license authorizes a restaurant or eating place to sell brewed beverages and wine  
6 for consumption only on the licensed premises.

7 (b) The biennial restaurant or eating place license fee is \$1,250.

8 (c) The board may issue or renew a license under this section only if the

9 (1) board determines that the licensed premises is a bona fide  
10 restaurant as defined in AS 04.21.080(b);

11 (2) licensee has, or the licensee has simultaneously applied for, a  
12 restaurant endorsement; and

13 (3) sale and service of food and alcoholic beverages and any other  
14 business conducted on the licensed premises of the restaurant or eating place is under  
15 the sole control of the licensee.

16 (d) The holder of a restaurant or eating place license shall ensure that gross  
17 receipts from the sale of food for consumption on the licensed premises are not less  
18 than the total of the gross receipts from the sale of alcoholic beverages for  
19 consumption on the licensed premises in each calendar year. At the time the holder  
20 submits an application for renewal of the license, the holder shall submit a statement  
21 to the board certifying that the holder has met the requirement under this subsection  
22 for the designated period of the license under AS 04.11.680. The board may renew a  
23 restaurant or eating place license only if the licensee's statement provides evidence  
24 satisfactory to the board that, during the designated period of the license under  
25 AS 04.11.680, the gross receipts from the sale of food for consumption on the licensed  
26 premises were not less than the total of the gross receipts from the sale of alcoholic  
27 beverages for consumption on the licensed premises.

28 (e) The holder of a restaurant or eating place license may provide  
29 entertainment on or adjacent to the licensed premises only between the hours of 10:00  
30 a.m. and 11:00 p.m. unless additional hours are approved by the director upon the  
31 written request of the licensee for a specific occasion. The director may not grant

1 approval for additional hours of entertainment on or adjacent to the licensed premises  
2 of an individual licensee more than six times in a calendar year. In this subsection,  
3 "entertainment" includes dancing, karaoke, live performances, or similar activities, but  
4 does not include recorded or broadcast performances without live participation.

5 (f) Except as provided under AS 04.09.620, 04.09.640, and AS 04.16.120(c),  
6 the holder of a restaurant or eating place license commits the offense of failure to  
7 comply with the terms of a restaurant or eating place license if the person sells brewed  
8 beverages or wine in violation of (a) of this section or fails to comply with (e) of this  
9 section.

10 (g) Failure to comply with the terms of a restaurant or eating place license is a  
11 violation.

12 **Sec. 04.09.220. Club license.** (a) A club license authorizes a club or  
13 organization to sell alcoholic beverages for consumption only on the licensed  
14 premises.

15 (b) The biennial fee for a club license is \$1,500.

16 (c) The board may issue a club license only to an organization operated for  
17 social, recreational, benevolent, or athletic purposes and not for profit. The board may  
18 issue a club license only to a club, fraternal organization, patriotic organization, or  
19 social organization that has been

20 (1) chartered by a state or national organization for a period of 10  
21 consecutive years before application for a license under this section; or

22 (2) chartered by a national organization that has maintained a chartered  
23 club or organization within the state for a period of at least 20 years.

24 (d) Alcoholic beverages sold under a club license may be purchased only by

25 (1) members of the club and their families;

26 (2) widows or widowers of deceased members of the club who have  
27 been accorded club privileges; and

28 (3) military personnel on active duty who are extended the privilege by  
29 patriotic organizations.

30 (e) Alcoholic beverages may be purchased only in the portion of the club  
31 rooms that are part of the licensed premises.

1 (f) Guests who enter the club premises on the invitation of a member and in  
2 the company of the member may be served but not sold alcoholic beverages. A guest  
3 shall leave the premises immediately upon the departure of the member who extended  
4 the invitation to enter.

5 (g) Notwithstanding AS 04.16.049, access by persons under 21 years of age to  
6 the

7 (1) licensed premises of a club is permitted when alcoholic beverages  
8 are not present; and

9 (2) premises of a patriotic organization licensed as a club under this  
10 section is permitted when alcoholic beverages are present, if the person possesses a  
11 valid active duty military or armed forces identification card issued by the United  
12 States Department of Defense or the United States Department of Homeland Security.

13 (h) The holder of a club license may not serve or sell alcoholic beverages for  
14 use or consumption off the licensed premises of the club or organization, including use  
15 or consumption by a club member or employee, except under a club caterer's permit.

16 (i) The holder of a club license may not

17 (1) solicit public patronage of the club premises, except as approved by  
18 the board;

19 (2) distribute income from the sale of alcoholic beverages under the  
20 license to a member, director, or officer;

21 (3) sell or serve alcoholic beverages in club rooms outside the portion  
22 of the club rooms that are part of the licensed premises.

23 (j) In this section, "member" means a holder of a full year of paid membership  
24 entitling the holder to all voting rights and privileges of membership under the  
25 constitution or bylaws of the club or organization.

26 (k) The holder of a club license commits the offense of failure to comply with  
27 the terms of a club license if the person sells alcoholic beverages in violation of (a) of  
28 this section or violates (d), (e), (f), (h), or (i) of this section.

29 (l) Failure to comply with the terms of a club license is a violation.

30 **Sec. 04.09.230. Package store license.** (a) A package store license authorizes  
31 the holder to operate a package store to store alcoholic beverages with federally

1 compliant labels, and to sell alcoholic beverages with federally compliant labels to a  
2 person present on the licensed premises.

3 (b) The biennial package store license fee is \$1,500.

4 (c) The licensed premises occupied by the holder of a package store license  
5 may not be connected by a door, opening, or other means of passage intended for the  
6 access of the general public to an adjacent retail business not licensed under this title  
7 unless approved by the board.

8 (d) If the holder of a package store license also holds a beverage dispensary  
9 license, the licensed premises of the package store are contained within or are adjacent  
10 to the licensed premises of the beverage dispensary, and the only public entrance to  
11 the package store is by a door or other means within the beverage dispensary, the  
12 board shall determine whether additional entrances to the package store are necessary  
13 for enforcement purposes, to meet health and fire safety standards, or for the  
14 convenience of the public.

15 (e) The holder of a package store license may not

16 (1) offer alcoholic beverages for consumption on the licensed premises  
17 or allow the consumption of alcoholic beverages on the licensed premises except as  
18 authorized by a package store sampling endorsement issued under AS 04.09.490 or a  
19 tasting event permit issued under AS 04.09.670;

20 (2) subdivide alcoholic beverages except as authorized by a package  
21 store repackaging endorsement issued under AS 04.09.480;

22 (3) offer alcoholic beverages for sale or sell alcoholic beverages to a  
23 person not present on the licensed premises who makes an order for shipment except  
24 as authorized by a package store shipping endorsement under AS 04.09.460; or

25 (4) deliver alcoholic beverages to a person not present on the licensed  
26 premises except as authorized by a package store delivery endorsement under  
27 AS 04.09.470.

28 (f) The holder of a package store license commits the offense of failure to  
29 comply with the terms of a package store license if the person stores or sells alcoholic  
30 beverages in violation of (a) of this section or fails to comply with (c) or (e) of this  
31 section.

1 (g) Failure to comply with the terms of a package store license is a violation.

2 **Sec. 04.09.240. Pub license.** (a) A pub license authorizes the holder to sell  
3 brewed beverages and wine for consumption only at a designated premises located on  
4 the campus of an accredited college or university.

5 (b) The biennial pub license fee is \$1,250.

6 (c) The board may not

7 (1) issue more than one pub license for each accredited college or  
8 university campus in the state; and

9 (2) issue or renew a pub license without the written approval of the  
10 governing body of the accredited college or university.

11 (d) The board may designate two alternating premises for a pub license if

12 (1) both premises are

13 (A) located on the accredited college or university campus;

14 (B) not located in contiguous rooms or adjacent buildings; and

15 (C) under the licensee's control;

16 (2) at any time, only one location is operating as a licensed premises  
17 with specified operating hours approved by the board; and

18 (3) all alcoholic beverages are either removed from the alternate  
19 premises or stored in a secure location that is not accessible to the general public  
20 during times when the alternate premises is not operating as a licensed premises.

21 (e) The board may suspend or revoke a licensee's use of an alternate premises  
22 under (d) of this section after providing written notice and an opportunity to be heard  
23 to the licensee.

24 (f) In this section, "accredited college or university" means a college or  
25 university accredited by the Northwest Commission on Colleges and Universities.

26 (g) The holder of a pub license commits the offense of failure to comply with  
27 the terms of a pub license if the person sells brewed beverages or wine in violation of  
28 (a) of this section.

29 (h) Failure to comply with the terms of a pub license is a violation.

30 **Sec. 04.09.250. Theater license.** (a) A theater license authorizes the holder of  
31 a beverage dispensary license or a restaurant or eating place license to sell alcoholic

1 beverages for consumption on licensed premises at a specified theater site, except that  
2 a restaurant or eating place licensee with a theater license may only sell brewed  
3 beverages and wine.

4 (b) The biennial theater license fee is \$1,250.

5 (c) The holder of a theater license may sell or serve alcoholic beverages only  
6 in designated areas on the licensed premises, and only for one hour before the event  
7 and during intermissions.

8 (d) The holder of a theater license may not sell, serve, or permit the  
9 consumption of alcoholic beverages in the audience viewing area.

10 (e) The holder of a theater license shall post the license conspicuously in the  
11 theater during times when alcoholic beverages are sold.

12 (f) The board may not approve an application for transfer of a theater license  
13 to another location.

14 (g) The board may deny an application for renewal of a theater license if the  
15 theater license was not used for at least one event during each calendar year of the  
16 license period.

17 (h) In this section, "theater" means a location where events, including plays,  
18 operas, orchestra concerts, readings, and similar activities as determined by the board  
19 are presented by live performers on a stage.

20 (i) A person commits the offense of failure to comply with the terms of a  
21 theater license if the person sells, serves, or permits the consumption of alcoholic  
22 beverages except as permitted in this section or fails to post the license as required by  
23 this section.

24 (j) Failure to comply with the terms of a theater license is a violation.

25 **Sec. 04.09.260. Common carrier dispensary license.** (a) A common carrier  
26 dispensary license authorizes the holder to sell alcoholic beverages for consumption  
27 aboard a boat or train licensed by a state or federal agency for passenger travel, or  
28 aboard aircraft operated by an airline licensed by a state or federal agency for  
29 passenger travel.

30 (b) Except as provided for airlines under (c) of this section, the biennial  
31 common carrier dispensary license fee is \$1,000 for each of the first 10 licenses a

1 common carrier holds and \$100 for each additional license issued to the common  
2 carrier after the first 10 licenses.

3 (c) The biennial fee for a common carrier dispensary license issued to an  
4 airline is the fee specified under (b) of this section for each aircraft in which alcoholic  
5 beverages are served or \$2,000 for each community served by the airline. An airline  
6 shall specify the fee applicable to the license at the time of the airline's application for  
7 issuance or renewal of the license.

8 (d) Except for a common carrier that is an airline, a common carrier shall  
9 obtain a license for each boat or train in which alcoholic beverages are served. After  
10 obtaining an initial license for the first boat or train, the common carrier may obtain  
11 additional licenses for additional boats or trains upon making a written request  
12 identifying the boat or train in the manner prescribed by the board, and paying the  
13 biennial fee for additional licensed premises as required by (b) of this section.

14 (e) The holder of a common carrier dispensary license who exceeds the  
15 authority granted in (a) of this section commits the crime of unauthorized common  
16 carrier dispensary activity.

17 (f) Unauthorized common carrier dispensary activity is a class A  
18 misdemeanor.

19 (g) The holder of a common carrier dispensary license who fails to comply  
20 with (b) - (d) of this section commits the offense of common carrier dispensary  
21 noncompliance.

22 (h) Common carrier dispensary noncompliance is a violation and is punishable  
23 by a fine of \$500 for each boat, train, or aircraft not in compliance with this section.

24 **Sec. 04.09.270. Sporting event license.** (a) A sporting event license authorizes  
25 the holder to sell brewed beverages and wine at multiple noncontiguous locations at a  
26 sporting event site during and one hour before and after a sporting event that is not a  
27 school event, for consumption on designated areas at the sporting event site.

28 (b) The biennial sporting event license fee is \$1,250.

29 (c) In this section, "sporting event site" includes a location where baseball,  
30 hockey, rugby, soccer, or football games, car races, dog sled racing events, rodeos, or  
31 curling matches are regularly held during a season.

1 (d) The holder of a sporting event license who sells brewed beverages or wine  
2 off the licensed premises or during hours not authorized under (a) of this section or  
3 who permits consumption off the premises of brewed beverages or wine sold on the  
4 premises commits the offense of unauthorized sporting event activity.

5 (e) Unauthorized sporting event activity is a violation.

6 (f) The holder, on the day before the effective date of this section, of a  
7 recreational site license issued under former AS 04.11.210 who offered brewed  
8 beverages and wine for sale to the public for consumption on the licensed premises  
9 may continue to offer brewed beverages and wine for sale to the public for  
10 consumption on the premises until December 31, 2026, for a license renewing on an  
11 even-numbered year, or December 31, 2027, for a license renewing on an odd-  
12 numbered year, if the holder of the license is otherwise in compliance with the  
13 requirements of this title as it read on the day before the effective date of this section.

14 **Sec. 04.09.280. Outdoor recreation lodge license.** (a) An outdoor recreation  
15 lodge license authorizes the holder to sell alcoholic beverages to a registered overnight  
16 guest or off-duty staff of the lodge for consumption on the licensed premises or in  
17 conjunction with purchased outdoor recreation activities provided by the licensee.

18 (b) The biennial outdoor recreation lodge license fee is \$2,500.

19 (c) The board may not grant an application for transfer of an outdoor  
20 recreation lodge license to another location.

21 (d) In this section, "outdoor recreation lodge" means a licensed business that  
22 provides overnight accommodations and meals, is primarily involved in offering  
23 opportunities for persons to engage in outdoor recreation activities, and has a  
24 minimum of two guest rooms.

25 (e) The holder of an outdoor recreation lodge license who sells alcoholic  
26 beverages in violation of the authority granted under (a) of this section commits the  
27 offense of unauthorized outdoor recreation lodge activity.

28 (f) Unauthorized outdoor recreation lodge activity is a violation.

29 **Sec. 04.09.290. Golf course license.** (a) A golf course license authorizes the  
30 holder to sell brewed beverages and wine for consumption on the licensed premises.

31 (b) The biennial golf course license fee is \$1,250.

- 1 (c) An application for a golf course license must include  
2 (1) a drawing of the golf course with an annotated illustration and  
3 description of the portions of the course that are intended to be licensed premises; and  
4 (2) a sample food menu.
- 5 (d) The board may not approve an application for transfer of a golf course  
6 license to another location.
- 7 (e) The holder of a golf course license shall make food similar to that listed in  
8 the sample menu available during times when brewed beverages and wine are sold,  
9 served, and consumed on the licensed premises.
- 10 (f) The holder of a golf course license may not allow a person other than the  
11 holder or an agent or employee of the holder, in the regular course of employment, to  
12 bring alcoholic beverages onto the licensed premises or other portions of the course  
13 for consumption.
- 14 (g) In this section, "licensed premises" includes the golf course, a driving  
15 range, a club house, and other buildings located on the course, and a vending cart  
16 carrying beverages or food to, from, or on the course, and does not include the parking  
17 lot.
- 18 (h) The holder of a golf course license commits the offense of failure to  
19 comply with the terms of a golf course license if the person sells brewed beverages or  
20 wine in violation of this section or violates (e) or (f) of this section.
- 21 (i) Failure to comply with the terms of a golf course license is a violation.
- 22 **Sec. 04.09.300. Destination resort license.** (a) A destination resort license  
23 authorizes the holder to sell alcoholic beverages at multiple noncontiguous locations at  
24 a destination resort for consumption on the licensed premises in conjunction with the  
25 visitor activities provided by the licensee to cruise ship passengers and staff and other  
26 visitors while the cruise ship is in port at the resort.
- 27 (b) The biennial destination resort license fee is \$2,500.
- 28 (c) The board may not approve an application for transfer of a destination  
29 resort license to another location.
- 30 (d) In this section, "destination resort" means a business that owns a site of at  
31 least 20 acres that is used principally as a destination for cruise ships and other vessels

1 that carry a minimum of 50 passengers and that does not provide overnight lodging on  
2 its premises for visitors.

3 (e) The holder of a destination resort license commits the offense of failure to  
4 comply with a destination resort license if the person sells alcoholic beverages in  
5 violation of (a) of this section.

6 (f) Failure to comply with the terms of a destination resort license is a  
7 violation.

8 **Sec. 04.09.310. Brewery retail license.** (a) A brewery retail license authorizes  
9 the holder to store, sell, or serve on the licensed premises brewed beverages for  
10 consumption on and off the premises.

11 (b) The biennial brewery retail license fee is \$1,250.

12 (c) The board may issue a brewery retail license only to the holder of a  
13 brewery manufacturer license under AS 04.09.020. The brewery retail licensed  
14 premises may be all or part of the brewery manufacturer licensed premises, or the  
15 brewery retail licensed premises may be at a single different site that is adjacent to the  
16 brewery manufacturer licensed premises.

17 (d) Each day, the holder of a brewery retail license may sell, to a person on the  
18 licensed premises for consumption on the licensed premises, not more than

19 (1) 36 ounces of the holder's beer; or

20 (2) 18 ounces of the holder's sake.

21 (e) The holder of a brewery retail license may not

22 (1) allow live entertainment, televisions, pool tables, dart games,  
23 dancing, electronic or other games, game tables, or other recreational or gaming  
24 opportunities on or adjacent to the premises where the consumption occurs;

25 (2) provide seats at the counter or bar where the brewed beverages are  
26 served;

27 (3) open the room where the consumption occurs before 9:00 a.m.; or

28 (4) serve brewed beverages after 8:00 p.m.

29 (f) Each day, the holder of a brewery retail license is authorized to sell, to a  
30 person on the licensed premises for consumption off the licensed premises, not more  
31 than

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- (1) 5.167 gallons of the holder's beer; or
- (2) nine liters of the holder's sake.

(g) The holder of a brewery retail license commits the offense of failure to comply with the terms of a brewery retail license if the person stores, sells, or serves brewed beverages in violation of (a) of this section or violates (d), (e), or (f) of this section.

(h) Failure to comply with the terms of a brewery retail license is a violation.

**Sec. 04.09.320. Winery retail license.** (a) A winery retail license authorizes the holder to store, sell, or serve on the licensed premises wine for consumption on and off the premises.

(b) The biennial winery retail license fee is \$1,250.

(c) The board may issue a winery retail license only to the holder of a winery manufacturer license issued under AS 04.09.030. The winery retail licensed premises may be all or part of the winery manufacturer licensed premises, or the winery retail licensed premises may be at a single different site that is adjacent to the winery manufacturer licensed premises.

(d) Each day, the holder of a winery retail license may sell, to a person on the licensed premises for consumption on the licensed premises, not more than

- (1) 18 ounces of the holder's wine, mead, or cider containing 8.5 percent or more alcohol by volume; or
- (2) 36 ounces of the holder's cider containing less than 8.5 percent alcohol by volume.

(e) The holder of a winery retail license may not

- (1) allow live entertainment, televisions, pool tables, dart games, dancing, electronic or other games, game tables, or other recreational or gaming opportunities on or adjacent to the premises where the consumption occurs;
- (2) provide seats at the counter or bar where the wine is served;
- (3) open the room where the consumption occurs before 9:00 a.m.; or
- (4) serve wine after 8:00 p.m.

(f) Each day, the holder of a winery retail license is authorized to sell, to a person on the licensed premises for consumption off the licensed premises, not more

1 than

2 (1) nine liters of the holder's wine, mead, or cider containing 8.5  
3 percent or more alcohol by volume; or

4 (2) 5.167 gallons of the holder's cider containing less than 8.5 percent  
5 alcohol by volume.

6 (g) The holder of a winery retail license commits the offense of failure to  
7 comply with the terms of a winery retail license if the person stores, sells, or serves  
8 wine in violation of (a) of this section or violates (d), (e), or (f) of this section.

9 (h) Failure to comply with the terms of a winery retail license is a violation.

10 (i) The holder, on the day before the effective date of this section, of a winery  
11 license issued under former AS 04.11.140 who provided seating at the counter or bar  
12 where the wine is served on the winery's licensed premises may continue to provide  
13 seating at the counter or bar where the wine is served for a period ending on  
14 December 31, 2022, for a license that is subject to renewal on an even-numbered year  
15 and December 31, 2023, for a license that is subject to renewal on an odd-numbered  
16 year.

17 **Sec. 04.09.330. Distillery retail license.** (a) A distillery retail license  
18 authorizes the holder to store, sell, or serve on the licensed premises distilled spirits  
19 for consumption on and off the premises.

20 (b) The biennial distillery retail license fee is \$1,250.

21 (c) The board may issue a distillery retail license only to the holder of a  
22 distillery manufacturer license under AS 04.09.040. The distillery retail licensed  
23 premises may be all or part of the distillery manufacturer licensed premises, or the  
24 distillery retail licensed premises may be at a single different site that is adjacent to the  
25 distillery manufacturer licensed premises.

26 (d) The holder of a distillery retail license may sell not more than three ounces  
27 of the holder's distilled spirits each day to a person on the licensed premises for  
28 consumption on the licensed premises. The holder of a distillery retail license may  
29 combine the holder's distilled spirits under this subsection with other ingredients that  
30 are not alcoholic beverages, including mixers, liquids, and garnishes.

31 (e) The holder of a distillery retail license may not

1 (1) allow live entertainment, televisions, pool tables, dart games,  
2 dancing, electronic or other games, game tables, or other recreational or gaming  
3 opportunities on or adjacent to the premises where the consumption occurs;

4 (2) provide seats at the counter or bar where the distilled spirits are  
5 served;

6 (3) open the room where the consumption occurs before 9:00 a.m.; or

7 (4) serve distilled spirits after 8:00 p.m.

8 (f) The holder of a distillery retail license is authorized to sell not more than  
9 3.75 liters of the holder's distilled spirits each day to a person on the licensed premises  
10 for consumption off the licensed premises.

11 (g) The holder of a distillery retail license commits the offense of failure to  
12 comply with the terms of a distillery retail license if the person stores, sells, or serves  
13 distilled spirits in violation of (a) of this section or violates (d), (e), or (f) of this  
14 section.

15 (h) Failure to comply with the terms of a distillery retail license is a violation.

16 **Sec. 04.09.340. Beverage dispensary tourism license.** (a) A beverage  
17 dispensary tourism license authorizes the holder to sell or serve on the licensed  
18 premises alcoholic beverages for consumption only on the licensed premises.

19 (b) The biennial beverage dispensary tourism license fee is \$2,500.

20 (c) The board may issue a beverage dispensary tourism license or approve an  
21 application for the transfer of ownership of a beverage dispensary tourism license if it  
22 appears that issuance or transfer will encourage the tourism trade by promoting the  
23 construction or improvement of

24 (1) a hotel, motel, resort, or similar business relating to the tourist trade  
25 with a dining facility or having kitchen facilities in a majority of its rental rooms and  
26 at least a minimum number of rental rooms required according to the population of the  
27 established village, incorporated city, unified municipality, or population area  
28 established under AS 04.11.400(a) in which the facility will be located, as follows:

29 (A) 10 rental rooms if the population is less than 1,501;

30 (B) 20 rental rooms if the population is 1,501 - 2,500;

31 (C) 25 rental rooms if the population is 2,501 - 5,000;

- 1 (D) 30 rental rooms if the population is 5,001 - 15,000;  
2 (E) 35 rental rooms if the population is 15,001 - 25,000;  
3 (F) 40 rental rooms if the population is 25,001 - 50,000; and  
4 (G) 50 rental rooms if the population is greater than 50,000; or

5 (2) an airport terminal.

6 (d) The holder of a beverage dispensary tourism license may not maintain on  
7 the licensed premises more than one room in which there is regularly maintained a  
8 fixed counter or service bar that has plumbing connections to permanent plumbing at  
9 which alcoholic beverages are sold or served to members of the public for  
10 consumption unless the license has a multiple fixed counter endorsement under  
11 AS 04.09.420, a hotel or motel endorsement under AS 04.09.430, or a large resort  
12 endorsement under AS 04.09.440.

13 (e) Except as provided under AS 04.09.610, 04.09.640, 04.09.670, and  
14 AS 04.16.120(c), the holder of a beverage dispensary tourism license who sells or  
15 serves alcoholic beverages off the licensed premises or permits consumption off the  
16 premises of alcoholic beverages sold or served on the premises commits the offense of  
17 unauthorized beverage dispensary tourism activity.

18 (f) Unauthorized beverage dispensary tourism activity is a violation.

19 **Sec. 04.09.350. Seasonal restaurant or eating place tourism license.** (a) A  
20 seasonal restaurant or eating place tourism license authorizes a restaurant or eating  
21 place to sell brewed beverages and wine for consumption only on the licensed  
22 premises for a period not to exceed six months in each calendar year.

23 (b) The biennial seasonal restaurant or eating place tourism license fee is  
24 \$1,250.

25 (c) The board may issue or renew a license under this section only if

26 (1) the board determines that the licensed premises is a bona fide  
27 restaurant as defined in AS 04.21.080(b);

28 (2) the licensee has, or the licensee has simultaneously applied for, a  
29 restaurant endorsement; and

30 (3) the sale and service of food and alcoholic beverages and any other  
31 business conducted on the licensed premises of the restaurant or eating place is under

1 the sole control of the licensee.

2 (d) The board may issue a license under this section only in a municipality or  
3 established village that

4 (1) has a population of 40,000 or less; and

5 (2) includes a community that receives more than 4,000 visitors a year,  
6 as determined by the Department of Commerce, Community, and Economic  
7 Development.

8 (e) The board may issue a license or approve an application for the transfer of  
9 ownership of a license under this section if it appears that issuance or transfer will  
10 encourage the tourism trade.

11 (f) The holder of a seasonal restaurant or eating place tourism license shall  
12 ensure that gross receipts from the sale of food for consumption on the licensed  
13 premises are not less than the total of the gross receipts from the sale of alcoholic  
14 beverages for consumption on the licensed premises in each calendar year. At the time  
15 the holder submits an application for renewal of the license, the holder shall submit a  
16 statement to the board certifying that the holder has met the requirement under this  
17 subsection for the designated period of the license under AS 04.11.680. The board  
18 may renew a seasonal restaurant or eating place tourism license only if the licensee  
19 provides evidence satisfactory to the board that, during the designated period of the  
20 license under AS 04.11.680, the gross receipts from the sale of food for consumption  
21 on the licensed premises were not less than the total of the gross receipts from the sale  
22 of alcoholic beverages for consumption on the licensed premises.

23 (g) The board shall adopt a regulation establishing a formula to limit the  
24 number of seasonal restaurant or eating place tourism licenses.

25 (h) The holder of a seasonal restaurant or eating place tourism license may  
26 provide entertainment on or adjacent to the licensed premises only between the hours  
27 of 11:00 a.m. and 11:00 p.m. unless additional hours are approved by the director  
28 upon the written request of the licensee for a specific occasion. The director may not  
29 grant approval for additional hours of entertainment on or adjacent to the licensed  
30 premises of an individual licensee more than three times in a calendar year. In this  
31 subsection, "entertainment" includes dancing, karaoke, live performances, or similar

1 activities, but does not include recorded or broadcast performances without live  
2 participation.

3 (i) Except as provided under AS 04.09.620, 04.09.640, and AS 04.16.120(c),  
4 the holder of a seasonal restaurant or eating place tourism license commits the offense  
5 of failure to comply with the terms of a seasonal restaurant or eating place tourism  
6 license if the person sells brewed beverages or wine in violation of (a) of this section  
7 or fails to comply with (f) or (h) of this section.

8 (j) Failure to comply with the terms of a seasonal restaurant or eating place  
9 tourism license is a violation.

10 **Sec. 04.09.360. Winery direct shipment license.** (a) A winery direct shipment  
11 license authorizes the holder of a winery retail license issued under AS 04.09.320, or  
12 the holder of a winery license issued in another state, to sell the holder's wine in  
13 response to an order for shipment to a person, for personal use only and not for resale,  
14 who is located in the state. A winery direct shipment license may not be transferred to  
15 another person or another location.

16 (b) The biennial fee for a winery direct shipment license is \$200.

17 (c) An applicant for issuance or renewal of a winery direct shipment license  
18 shall

19 (1) submit an application on a form prescribed by the board;

20 (2) consent to the jurisdiction of the board, the Department of  
21 Revenue, and any other state agency or state court concerning enforcement of this  
22 title; and

23 (3) if the applicant is the holder of a license or permit authorizing the  
24 holder to manufacture and sell wine to the public issued in another state, provide to the  
25 board a copy of the holder's license or permit issued

26 (A) in the state; and

27 (B) by the Alcohol and Tobacco Tax and Trade Bureau.

28 (d) All wine shipped to a purchaser in the state by the holder of a winery direct  
29 shipment license is subject to the state excise tax.

30 (e) The holder of a winery direct shipment license may not

31 (1) ship wine to an address with a zip code located in an area that has

1 adopted a local option under AS 04.11.491;

2 (2) sell more than the equivalent of six nine-liter cases of wine to a  
3 purchaser in one transaction, or more than the equivalent of 12 nine-liter cases of wine  
4 to a purchaser in a calendar year; and

5 (3) ship wine using a common carrier who is not approved by the  
6 board to ship alcoholic beverages to persons in the state under AS 04.09.750(b).

7 (f) Before shipping an order under this section, the holder of a winery direct  
8 shipment license shall

9 (1) verify that the person submitting the order is at least 21 years of  
10 age, using an age verification service or other method, and that the named recipient of  
11 the shipment, if not the same person as the person submitting the order, is at least 21  
12 years of age;

13 (2) determine that the order will not exceed the limits of (e)(2) of this  
14 section;

15 (3) provide written or electronic information to the person submitting  
16 the order on fetal alcohol syndrome and fetal alcohol effects resulting from a woman's  
17 consumption of alcohol during pregnancy; and

18 (4) label the shipping container as containing alcoholic beverages and  
19 requiring a signature by a person who is at least 21 years of age upon delivery.

20 (g) The holder of a winery direct shipment license shall

21 (1) retain records of sales made under this license for at least two  
22 years; and

23 (2) make records of sales available for inspection and audit by the  
24 board and the Department of Revenue.

25 (h) The board shall compile a list that is available for public inspection of zip  
26 codes that are located within a local option area and notify the holder of a winery  
27 direct shipment license of any change to the list.

28 (i) The holder of a winery direct shipment license commits the offense of  
29 failure to comply with the terms of a winery direct shipment license if the person fails  
30 to comply with (e) - (g) of this section.

31 (j) Failure to comply with the terms of a winery direct shipment license is a

1 violation.

2 **Sec. 04.09.370. Unlicensed retail sale.** (a) A person commits the crime of  
3 unlicensed retail sale if the person knowingly operates without the appropriate license  
4 a retail operation that requires a license under AS 04.09.200 - 04.09.360.

5 (b) Unlicensed retail sale is a class A misdemeanor and is punishable under  
6 AS 12.55.

7 **Sec. 04.09.380. Unlicensed retail sale in a local option area.** (a) A person  
8 commits the crime of unlicensed retail sale in a local option area if the person  
9 knowingly operates without a license in an area that has adopted a local option under  
10 AS 04.11.491 a retail operation that requires a license under AS 04.09.200 -  
11 04.09.360.

12 (b) Unlicensed retail sale in a local option area is a class C felony and is  
13 punishable under AS 12.55.

#### 14 **Article 5. Endorsements.**

15 **Sec. 04.09.400. Types of endorsements.** (a) An endorsement expands the  
16 boundaries of a licensed premises or the authorized activities of a licensed business.

17 (b) Only the board may issue an endorsement. The board may issue only the  
18 endorsements authorized in AS 04.09.400 - 04.09.520.

19 (c) An endorsement is valid only in conjunction with a license. An  
20 endorsement may only be transferred to another person if the license for which the  
21 endorsement was issued is also transferred to that person. An endorsement expires if  
22 the licensed premises are relocated, the license expires, or the license is revoked.

23 (d) Except as provided in (c) of this section, an endorsement is valid for the  
24 duration of the license as designated in AS 04.11.680. The holder of the endorsement  
25 shall renew the endorsement biennially.

26 (e) An application for an endorsement under AS 04.09.400 - 04.09.520 must  
27 (1) be made in writing on a form prescribed by the board; and  
28 (2) demonstrate that the holder of the license has authority over and  
29 will exercise control over conduct of the business in all areas of the licensed premises,  
30 including premises newly licensed by the endorsement.

31 **Sec. 04.09.410. Manufacturer sampling endorsement.** (a) A manufacturer

1 sampling endorsement authorizes the holder of a brewery manufacturer license,  
2 winery manufacturer license, or distillery manufacturer license to offer for  
3 consumption on the licensed premises at no charge a small sample of an alcoholic  
4 beverage produced by the manufacturer.

5 (b) The biennial fee for a manufacturer sampling endorsement is \$200.

6 (c) A person serving a sample of an alcoholic beverage under this section must  
7 have a current alcohol server education card issued under AS 04.21.025(c). Only the  
8 license holder or an agent or employee of the license holder may serve a sample.

9 (d) The holder of a manufacturer sampling endorsement may serve a total  
10 volume of samples to a person on a licensed premises each day that does not exceed

11 (1) for the holder of a brewery manufacturer license,

12 (A) 12 ounces of beer; or

13 (B) six ounces of sake;

14 (2) for the holder of a winery manufacturer license,

15 (A) six ounces of wine, mead, or cider containing 8.5 percent  
16 or more alcohol by volume; or

17 (B) 12 ounces of cider containing less than 8.5 percent alcohol  
18 by volume;

19 (3) for the holder of a distillery manufacturer license, 1.5 ounces of  
20 distilled spirits; the holder of the distillery manufacturer license may combine the  
21 holder's distilled spirits under this paragraph with other ingredients that are not  
22 alcoholic beverages, including mixers, liquids, and garnishes.

23 (e) The holder of a manufacturer sampling endorsement may not publicly  
24 advertise, including through newsprint, radio, or television, sampling activities  
25 conducted under the endorsement. However, the holder of a manufacturer sampling  
26 endorsement may notify existing customers of sampling activities, including by  
27 electronic means.

28 (f) A person who offers a sample of an alcoholic beverage for consumption on  
29 the licensed premises of a brewery, winery, or distillery without an endorsement under  
30 this section commits the offense of unendorsed sampling.

31 (g) Unendorsed sampling is a violation and is punishable by a fine of \$500.

1 (h) The holder of a manufacturer sampling endorsement who fails to comply  
2 with the requirements of (c) - (e) of this section commits the offense of failure to  
3 comply with the terms of a manufacturer sampling endorsement.

4 (i) Failure to comply with the terms of a manufacturer sampling endorsement  
5 is a violation.

6 **Sec. 04.09.420. Multiple fixed counter endorsement.** (a) A multiple fixed  
7 counter endorsement authorizes the holder of a beverage dispensary license or a  
8 beverage dispensary tourism license to sell or serve alcoholic beverages on the  
9 licensed premises from multiple fixed counters.

10 (b) The biennial fee for a multiple fixed counter endorsement is \$200.

11 (c) In addition to the fee under (b) of this section, the initial application fee for  
12 each fixed counter covered under the endorsement is \$1,250.

13 (d) An initial application for a multiple fixed counter endorsement must  
14 include an annotated drawing of the location of each fixed counter in the licensed  
15 premises.

16 (e) A fixed counter at which alcoholic beverages are sold or served to the  
17 public for consumption covered under a multiple fixed counter endorsement must be a  
18 regularly maintained fixed counter or service bar that has plumbing connections to  
19 permanent plumbing. Multiple fixed counters must be located in the same building  
20 under the same contiguous licensed premises as set out in regulation, except as  
21 provided for the holder of a hotel or motel endorsement under AS 04.09.430 or a large  
22 resort endorsement under AS 04.09.440. The board shall adopt regulations to  
23 implement this subsection.

24 (f) The holder of a beverage dispensary license or a beverage dispensary  
25 tourism license who maintains multiple fixed counters without an endorsement under  
26 this section commits the offense of unendorsed service at multiple fixed counters.

27 (g) The holder of a multiple fixed counter endorsement who fails to comply  
28 with the requirements of (e) of this section commits the offense of multiple fixed  
29 counter endorsement noncompliance.

30 (h) Unendorsed service at multiple fixed counters is a violation and is  
31 punishable by a fine of \$500.

1 (i) Multiple fixed counter endorsement noncompliance is a violation.

2 **Sec. 04.09.430. Hotel or motel endorsement.** (a) A hotel or motel  
3 endorsement authorizes the holder of a beverage dispensary license or a beverage  
4 dispensary tourism license that is a hotel, motel, resort, or similar business premises  
5 that caters to the traveling public as a substantial part of its business to sell or serve  
6 alcoholic beverages on the licensed premises, including in the dining room, banquet  
7 room, and other public areas approved by the board, and in guest rooms.

8 (b) The biennial fee for a hotel or motel endorsement is \$200.

9 (c) The holder of a beverage dispensary license or a beverage dispensary  
10 tourism license that is a hotel, motel, resort, or similar business premises that caters to  
11 the traveling public as a substantial part of its business shall apply for a multiple fixed  
12 counter endorsement under AS 04.09.420 to sell or serve alcoholic beverages at a  
13 secondary location located in a building different than the licensed premises for the  
14 beverage dispensary license or a beverage dispensary tourism license if the different  
15 building

16 (1) is located on the same property as, adjacent to, or attached to the  
17 originally licensed premises;

18 (2) principally caters to guests of the hotel or motel; and

19 (3) principally encourages the tourism trade at the hotel or motel.

20 (d) The holder of a hotel or motel endorsement may stock alcoholic beverages  
21 in guest rooms, for sale and consumption only in the guest room. Alcoholic beverages  
22 stocked under this subsection must be stocked by an employee who is 21 years of age  
23 or older, may not be supplied or resupplied during hours that the sale of alcoholic  
24 beverages is prohibited as provided under AS 04.16.010(a) and (d), and must be stored  
25 in a unit using a key or combination lock system within the guest room. A key lock  
26 system must be designed to prevent the removal of the key unless the unit is locked.  
27 Except for the licensee, or an agent or employee of the licensee, a key or combination  
28 enabling a person to obtain alcoholic beverages stocked in a guest room may only be  
29 provided to a guest who occupies the room and who is 21 years of age or older.

30 (e) The holder of a hotel or motel endorsement shall exercise control over  
31 conduct of the business in all areas of the licensed premises.

1 (f) The holder of a beverage dispensary license or a beverage dispensary  
2 tourism license who engages in activity under this section without an endorsement  
3 under this section commits the offense of unendorsed hotel or motel service.

4 (g) The holder of a hotel or motel endorsement who fails to comply with the  
5 requirements of this section commits the offense of hotel or motel endorsement  
6 noncompliance.

7 (h) Unendorsed hotel or motel service is a violation and is punishable by a fine  
8 of \$500.

9 (i) Hotel or motel endorsement noncompliance is a violation.

10 **Sec. 04.09.440. Large resort endorsement.** (a) A large resort endorsement  
11 authorizes the holder of a beverage dispensary license or a beverage dispensary  
12 tourism license that is a large resort to sell or serve alcoholic beverages from multiple  
13 locations on the resort property including in the dining room, banquet room, and other  
14 public areas approved by the board, and in guest rooms, regardless of whether the  
15 locations are in the same building or under the same roof.

16 (b) The biennial fee for a large resort endorsement is \$200.

17 (c) The holder of a large resort endorsement shall apply for a multiple fixed  
18 counter endorsement under AS 04.09.420 to sell or serve alcoholic beverages from  
19 multiple locations within the large resort's property. The locations do not need to be  
20 located in the same building or on the same parcel, but must be within the boundary of  
21 the large resort, as that term is defined in (h) of this section.

22 (d) The holder of a large resort endorsement may sell or serve alcoholic  
23 beverages only from locations on the site of the large resort.

24 (e) For federal income tax purposes, the profit and loss from the licensed  
25 business conducted at locations on the resort under a large resort endorsement, other  
26 than guest rooms, must be combined or consolidated with the profit and loss from the  
27 licensed business conducted under the multiple fixed counter endorsement.

28 (f) The holder of a large resort endorsement shall exercise control over  
29 conduct of the business in all areas of the licensed premises.

30 (g) A holder of a beverage dispensary license with a large resort endorsement  
31 may stock alcoholic beverages in guest rooms, for sale and consumption only in the

1 guest room. Alcoholic beverages stocked under this subsection must be stocked by an  
2 employee who is 21 years of age or older, may not be supplied or resupplied during  
3 hours that the sale of alcoholic beverages is prohibited as provided under  
4 AS 04.16.010(a) and (d), and must be stored in a unit using a key or combination lock  
5 system within the guest room. A key lock system must be designed to prevent the  
6 removal of the key unless the unit is locked. Except for the licensee, or an agent or  
7 employee of the licensee, a key or combination enabling a person to obtain alcoholic  
8 beverages stocked in a guest room may be provided only to a guest who occupies the  
9 room and who is 21 years of age or older.

10 (h) In this section, "large resort" means a resort that offers both outdoor  
11 recreational activities and overnight lodging to the public and is located on a site  
12 consisting of at least 10 contiguous acres containing one or more parcels of real  
13 property owned by the licensee, leased by the licensee, or a combination of parcels  
14 owned by the licensee and leased by the licensee.

15 (i) The holder of a beverage dispensary license or a beverage dispensary  
16 tourism license who engages in activity under this section without an endorsement  
17 under this section commits the offense of unendorsed large resort service.

18 (j) The holder of a large resort endorsement who fails to comply with the  
19 requirements of (c) - (g) of this section commits the offense of large resort  
20 endorsement noncompliance.

21 (k) Unendorsed large resort service is a violation and is punishable by a fine of  
22 \$500.

23 (l) Large resort endorsement noncompliance is a violation.

24 **Sec. 04.09.450. Restaurant endorsement.** (a) A restaurant endorsement  
25 authorizes the holder of a restaurant or eating place license, beverage dispensary  
26 license, golf course license, sporting event license, club license, outdoor recreation  
27 lodge license, destination resort license, beverage dispensary tourism license, or  
28 seasonal restaurant or eating place tourism license to allow a person

29 (1) under 21 years of age access as provided in (e) of this section to the  
30 premises of a bona fide restaurant on the licensed premises; and

31 (2) to enter or remain on the licensed premises to consume food or

1 nonalcoholic beverages as authorized under AS 04.16.010(c)(5).

2 (b) The biennial fee for a restaurant endorsement is \$200.

3 (c) An application for a restaurant endorsement must specify the establishment  
4 or portion of the establishment that constitutes a bona fide restaurant.

5 (d) The board may issue an endorsement under this section only if the board  
6 finds

7 (1) that the establishment or portion of the establishment for which the  
8 endorsement is requested is a bona fide restaurant;

9 (2) there is supervision on the premises adequate to reasonably ensure  
10 that a person under 21 years of age will not obtain alcoholic beverages; and

11 (3) that it is unlikely that persons under 21 years of age not employed  
12 on the premises will enter and remain on the premises of the bona fide restaurant for  
13 purposes other than dining.

14 (e) The board may authorize the holder of a license with a restaurant  
15 endorsement

16 (1) to allow a person who is at least 16 years of age but under 21 years  
17 of age to enter and remain on the licensed premises for dining only;

18 (2) to allow a person who is under 16 years of age to enter and remain  
19 on the licensed premises for dining only if

20 (A) the person is accompanied by a person who is 21 years of  
21 age or older; and

22 (B) the parent or guardian of the person consents to the person  
23 being on the licensed premises; and

24 (3) subject to AS 04.16.049, to employ or permit the employment of a  
25 person who is at least 16 years of age but under 21 years of age on the premises of the  
26 bona fide restaurant if the employer provides adequate supervision to ensure that the  
27 person does not obtain alcoholic beverages.

28 (f) The holder of a license who engages in activity under this section without  
29 an endorsement under this section commits the offense of unendorsed restaurant  
30 service.

31 (g) The holder of a restaurant endorsement who engages in activity not

1 authorized by the board under (e) of this section or fails to comply with the  
2 requirements of (e) of this section commits the offense of restaurant endorsement  
3 noncompliance.

4 (h) Unendorsed restaurant service is a violation and is punishable by a fine of  
5 \$500.

6 (i) Restaurant endorsement noncompliance is a violation.

7 **Sec. 04.09.460. Package store shipping endorsement.** (a) A package store  
8 shipping endorsement authorizes the holder of a package store license to sell alcoholic  
9 beverages to a person who makes an order to that licensee for shipment.

10 (b) The biennial fee for a package store shipping endorsement is \$200.

11 (c) An endorsement holder may ship alcoholic beverages only to the purchaser  
12 and may ship alcoholic beverages only in response to an order. The endorsement  
13 holder may not, in response to an order, ship alcohol to a purchaser at an address other  
14 than the address where the purchaser resides or, if the purchaser resides in a  
15 municipality or established village that has adopted a local option under  
16 AS 04.11.491(a)(1), (2), or (3) or (b)(1) or (2) for which a community delivery site has  
17 been designated under AS 04.11.491(f), to an address other than that community  
18 delivery site except as provided by AS 04.11.491(f)(1) and (2).

19 (d) An endorsement holder shall provide written or electronic information on  
20 fetal alcohol syndrome and fetal alcohol effects resulting from a woman's  
21 consumption of alcohol during pregnancy to the purchaser in response to an order.

22 (e) If a shipment is to an area that has restricted the sale of alcoholic beverages  
23 under AS 04.11.491(a)(1), (2), or (3) or (b)(1) or (2), an endorsement holder may not  
24 ship to a purchaser more than 10.5 liters of distilled spirits or 24 liters or more of wine,  
25 or either a half-barrel keg of brewed beverages or 15.5 gallons or more of brewed  
26 beverages in individual containers in a calendar month, or a lower amount of distilled  
27 spirits, wine, or brewed beverages if the municipality or established village has  
28 adopted the lower amount by local option under AS 04.11.491(g). Before shipping  
29 alcohol to a purchaser in a restricted area, an endorsement holder shall consult the  
30 database maintained by the board under AS 04.06.095 for any alcoholic beverage  
31 shipments made to the purchaser during that calendar month by a package store. An

1 endorsement holder may not ship an amount of alcoholic beverages to a purchaser in a  
2 restricted area that, when added to the amount already shipped, exceeds the amount  
3 authorized by this subsection. An endorsement holder shall immediately enter into the  
4 database the date and the amount of alcoholic beverages shipped to the purchaser.

5 (f) An endorsement holder may not divide or combine shipments of alcoholic  
6 beverages so as to circumvent the limitation imposed under (e) of this section.

7 (g) In this section, "endorsement holder" means the holder of a package store  
8 license with a package store shipping endorsement, and an agent or employee of the  
9 holder of a package store license with a package store shipping endorsement.

10 (h) The holder of a package store license who ships alcoholic beverages  
11 without an endorsement under this section commits the offense of unendorsed package  
12 store shipping.

13 (i) The holder of a package store shipping endorsement who fails to comply  
14 with the requirements of (c) - (f) of this section commits the offense of package store  
15 shipping endorsement noncompliance.

16 (j) Unendorsed package store shipping is a violation and is punishable by a  
17 fine of \$500.

18 (k) Package store shipping endorsement noncompliance is a violation.

19 **Sec. 04.09.470. Package store delivery endorsement.** (a) A package store  
20 delivery endorsement authorizes the holder of a package store license to deliver  
21 alcoholic beverages to the location of a social event as set out in this section. For  
22 purposes of this subsection, the board shall define by regulation the term "social  
23 event."

24 (b) The biennial fee for a package store delivery endorsement is \$200.

25 (c) The holder of a package store delivery endorsement may deliver alcoholic  
26 beverages only in response to an order. The board shall adopt regulations specifying  
27 the occasions for which delivery of alcoholic beverages is allowed and the manner of  
28 delivery by the licensee.

29 (d) The holder of a package store delivery endorsement may deliver alcoholic  
30 beverages only to a responsible adult at the delivery location specified on the order.  
31 The responsible adult shall provide identification and acceptable proof of age under

1 AS 04.21.050 and acknowledge in writing receipt of the alcoholic beverages.

2 (e) The holder of a package store license who delivers alcoholic beverages  
3 without an endorsement under this section commits the offense of unendorsed package  
4 store delivery.

5 (f) The holder of a package store delivery endorsement who fails to comply  
6 with the requirements of (c) and (d) of this section commits the offense of package  
7 store delivery endorsement noncompliance.

8 (g) Unendorsed package store delivery is a violation and is punishable by a  
9 fine of \$500.

10 (h) Package store delivery endorsement noncompliance is a violation.

11 **Sec. 04.09.480. Package store repackaging endorsement.** (a) A package  
12 store repackaging endorsement authorizes the holder of a package store license to  
13 subdivide and sell alcoholic beverages from original packages with federally  
14 compliant labels to smaller containers with the standard federal government warnings  
15 and the product name.

16 (b) The biennial fee for a package store repackaging endorsement is \$200.

17 (c) A package store licensee with a package store repackaging endorsement  
18 may

19 (1) subdivide alcoholic beverages

20 (A) for sale on the licensed premises by opening the original  
21 package for the purpose of subdividing the contents into smaller packages; or

22 (B) in response to a purchase request from a person who is on  
23 the licensed premises or purchase order submitted in accordance with  
24 AS 04.09.470(c);

25 (2) permit an agent or employee to subdivide alcoholic beverages, but  
26 may not permit a customer or another person who is not an agent or employee of the  
27 licensee to subdivide alcoholic beverages.

28 (d) The holder of a package store license who repackages alcoholic beverages  
29 without an endorsement under this section commits the offense of unendorsed package  
30 store repackaging.

31 (e) The holder of a package store repackaging endorsement who fails to

1 comply with the requirements of this section commits the offense of package store  
2 repackaging endorsement noncompliance.

3 (f) Unendorsed package store repackaging is a violation and is punishable by a  
4 fine of \$500.

5 (g) Package store repackaging endorsement noncompliance is a violation.

6 **Sec. 04.09.490. Package store sampling endorsement.** (a) A package store  
7 sampling endorsement authorizes the holder of a package store license to offer for  
8 consumption on the licensed premises at no charge a small sample of an alcoholic  
9 beverage from its inventory during the package store's stated hours of business, but not  
10 between the hours of midnight and 8 a.m.

11 (b) The biennial fee for a package store sampling endorsement is \$200.

12 (c) Only the license holder or an agent or employee of the license holder may  
13 serve a sample.

14 (d) The holder of a package store sampling endorsement may serve a total  
15 volume of samples to a person on a licensed premises each day that does not exceed

16 (1) six ounces of beer or cider, if the cider contains less than 8.5  
17 percent alcohol by volume;

18 (2) three ounces of wine, mead, sake, or cider, if the cider contains 8.5  
19 percent or more alcohol by volume;

20 (3) .75 ounces of distilled spirits; or

21 (4) the alcoholic equivalent of (1), (2), or (3) of this subsection.

22 (e) The holder of a package store sampling endorsement may not publicly  
23 advertise, including through newsprint, radio, or television, sampling activities  
24 conducted under the endorsement. However, the holder of a package store sampling  
25 endorsement may notify existing customers of sampling activities, including by  
26 electronic means.

27 (f) A person who offers a sample of an alcoholic beverage for consumption on  
28 the licensed premises of a package store without an endorsement under this section  
29 commits the offense of unendorsed package store sampling.

30 (g) Unendorsed package store sampling is a violation and is punishable by a  
31 fine of \$500.

1 (h) The holder of a package store sampling endorsement who fails to comply  
2 with the requirements of (a) and (c) - (e) of this section commits the offense of failure  
3 to comply with the terms of a package store sampling endorsement.

4 (i) Failure to comply with the terms of a package store sampling endorsement  
5 is a violation.

6 **Sec. 04.09.500. Bowling alley endorsement.** (a) A bowling alley endorsement  
7 authorizes the holder of a beverage dispensary license or a beverage dispensary  
8 tourism license to sell or serve alcoholic beverages in the concourse or lane areas of  
9 the bowling alley adjacent to the main bar area.

10 (b) The biennial fee for a bowling alley endorsement is \$200.

11 (c) The board may issue a bowling alley endorsement only if the concourse or  
12 lane areas of the bowling alley or both are

13 (1) designated as part of the licensed premises for the beverage  
14 dispensary license or a beverage dispensary tourism license; and

15 (2) adjacent to the main bar area.

16 (d) Notwithstanding AS 04.16.049, the board may, upon application, authorize  
17 access by persons under 21 years of age to the concourse or lane areas or both that are  
18 designated part of the licensed premises of the bowling alley during hours when no  
19 alcoholic beverages are being sold, served, or consumed.

20 (e) The periods during which persons under 21 years of age may be permitted  
21 access to the licensed premises must be clearly posted on the licensed premises.

22 (f) The holder of a beverage dispensary license or a beverage dispensary  
23 tourism license who sells or serves alcoholic beverages in the concourse or lane areas  
24 of a bowling alley without an endorsement under this section commits the offense of  
25 unendorsed bowling alley service.

26 (g) The holder of a bowling alley endorsement under this section who fails to  
27 comply with the requirements of (e) of this section or who permits access by a person  
28 under 21 years of age to the concourse or lane areas of the bowling alley during hours  
29 when alcoholic beverages are being served in the concourse or lane areas commits the  
30 offense of bowling alley endorsement noncompliance.

31 (h) Unendorsed bowling alley service is a violation and is punishable by a fine

1 of \$500.

2 (i) Bowling alley endorsement noncompliance is a violation.

3 **Sec. 04.09.510. Golf course endorsement.** (a) A golf course endorsement  
4 authorizes the owner of a golf course who has obtained a beverage dispensary license  
5 or a beverage dispensary tourism license to sell or serve alcoholic beverages on the  
6 golf course, driving range, club house and other buildings located on the course, and a  
7 vending cart carrying beverages or food to, from, or on the course, excluding the  
8 parking lot.

9 (b) The biennial fee for a golf course endorsement is \$200.

10 (c) An application for a golf course endorsement must include a drawing of  
11 the golf course with an annotated illustration and a description of the portions of the  
12 course that are licensed premises and that are intended to be covered by the  
13 endorsement.

14 (d) The holder of a beverage dispensary license or beverage dispensary  
15 tourism license who sells or serves alcoholic beverages on a golf course without an  
16 endorsement under this section commits the offense of unendorsed golf course service.

17 (e) The holder of a golf course endorsement who fails to comply with (a) of  
18 this section commits the offense of golf course endorsement noncompliance.

19 (f) Unendorsed golf course service is a violation and is punishable by a fine of  
20 \$500.

21 (g) Golf course endorsement noncompliance is a violation.

22 **Sec. 04.09.520. Brewery repackaging endorsement.** (a) A brewery  
23 repackaging endorsement authorizes the holder of a brewery manufacturer license who  
24 held a license to operate a brewpub under former AS 04.11.135 and was operating a  
25 brewpub on the day before the effective date of this section and who also holds,  
26 wholly or in part, a beverage dispensary license, beverage dispensary tourism license,  
27 restaurant or eating place license, or a seasonal restaurant or eating place tourism  
28 license to offer the holder's brewed beverages for sale for consumption off the licensed  
29 premises and to subdivide and sell the holder's brewed beverages from original  
30 packages with federally compliant labels to smaller containers with the standard  
31 federal government warnings and the product name.

1 (b) The biennial fee for a brewery repackaging endorsement is \$200.

2 (c) A brewery manufacturer licensee with a brewery repackaging endorsement

3 (1) is authorized to sell, each day to a person on the licensed premises  
4 for consumption off the licensed premises, not more than

5 (A) 5.167 gallons of the holder's beer; or

6 (B) nine liters of sake;

7 (2) may permit an agent or employee to subdivide the holder's brewed  
8 beverages, but may not permit a customer or another person who is not an agent or  
9 employee of the licensee to subdivide the holder's brewed beverages.

10 (d) The holder of a brewery manufacturer license who repackages brewed  
11 beverages without an endorsement under this section or a brewery retail license under  
12 AS 04.09.310 commits the offense of unendorsed brewery repackaging.

13 (e) In this section, "licensed premises" means a premises licensed under a  
14 beverage dispensary license, beverage dispensary tourism license, restaurant or eating  
15 place license, or a seasonal restaurant or eating place tourism license that is controlled  
16 by a brewery manufacturer licensee.

17 (f) The holder of a brewery repackaging endorsement who fails to comply  
18 with the requirements of this section commits the offense of brewery repackaging  
19 endorsement noncompliance.

20 (g) Unendorsed brewery repackaging is a violation, punishable by a fine of  
21 \$500.

22 (h) Brewery repackaging endorsement noncompliance is a violation.

23 **Article 6. Permits.**

24 **Sec. 04.09.600. Types of permits.** (a) A permit allows catering and serving  
25 activities for a specific time period on a single specified premises and allows an  
26 eligible nonprofit organization to host a fundraising or not-for-profit event.

27 (b) The director may issue only the permits authorized in AS 04.09.600 -  
28 04.09.690. An application for a permit must be received by the director not less than  
29 three business days before the first day of the event. Except for a conditional  
30 contractor's permit issued under AS 04.09.690, the director shall require every person  
31 who will serve or sell alcohol or check identification of a patron during a permitted

1 event to complete an alcohol server education course under AS 04.21.025 before the  
2 first day of the permitted event.

3 (c) An applicant for a permit must follow the application requirements set out  
4 in AS 04.11.260.

5 (d) A permit, other than an inventory resale permit under AS 04.09.680 and a  
6 conditional contractor's permit under AS 04.09.690, is valid only on the premises, for  
7 the event, and for the period specified.

8 (e) The holder of an approved permit may submit a written request for  
9 amendment of the approved permit to change the event date, site, designated area, or  
10 designated time. The holder of the approved permit shall submit the request to the  
11 director not later than three business days before the event and shall include approval  
12 of the law enforcement agency having jurisdiction over the site of the event for which  
13 the amended permit is sought.

14 (f) The holder of an approved permit shall ensure that the individuals serving  
15 alcohol have completed alcohol server training as required under AS 04.21.025 before  
16 the first day of the permitted event.

17 (g) A permit may not be transferred to another person or another location and,  
18 except for a conditional contractor's permit under AS 04.09.690, may not be renewed.

19 (h) Except as otherwise provided in AS 04.09.680 for an inventory resale  
20 permit and AS 04.09.690 for a conditional contractor's permit, the fee for a permit  
21 shall be set by the board in regulation. The fee must be at least \$50 for each day of the  
22 event.

23 (i) The director shall approve or deny a permit application. If the director  
24 denies a permit application, the applicant may appeal to the board.

25 **Sec. 04.09.610. Beverage dispensary caterer's permit.** A beverage  
26 dispensary caterer's permit authorizes the holder of a beverage dispensary license or  
27 beverage dispensary tourism license to sell or dispense alcoholic beverages at  
28 conventions, picnics, sporting events, concerts, street festivals, or similar affairs held  
29 off the holder's licensed premises for which a beverage dispensary license or beverage  
30 dispensary tourism license would not otherwise be required. The permit may be issued  
31 only for designated premises for a specific occasion and for a limited period.

1           **Sec. 04.09.620. Restaurant caterer's dining permit.** (a) A restaurant caterer's  
2 dining permit authorizes the holder of a restaurant or eating place license or a seasonal  
3 restaurant or eating place tourism license to sell brewed beverages and wine before  
4 and during the service of food provided by the licensee at a single dining event held  
5 off the holder's licensed premises.

6           (b) The director may issue a restaurant caterer's dining permit only for  
7 designated premises, for a specific occasion, and for a limited period.

8           (c) The licensee shall provide food in conjunction with the service of brewed  
9 beverages and wine under a restaurant caterer's dining permit. The licensee shall  
10 comply with the requirements for gross receipts from food sales for a restaurant or  
11 eating place license under AS 04.09.210(d) or a seasonal restaurant or eating place  
12 tourism license under AS 04.09.350(f).

13           **Sec. 04.09.630. Club caterer's permit.** (a) A club caterer's permit authorizes  
14 the holder of a club license to sell or dispense alcoholic beverages at an event held off  
15 the club's licensed premises.

16           (b) The application for a club caterer's permit filed under AS 04.11.260 must  
17 be signed by two officers of the organization.

18           (c) A restriction or prohibition under AS 04.09.220 regarding a club member  
19 or a guest of a club member applies at the premises covered by the permit.

20           (d) The director may not issue more than three club caterer's permits to the  
21 holder of a club license in a calendar year.

22           **Sec. 04.09.640. Art exhibit event permit.** (a) An art exhibit event permit  
23 authorizes the holder of a beverage dispensary license, a beverage dispensary tourism  
24 license, a restaurant or eating place license, or a seasonal restaurant or eating place  
25 tourism license to sell and serve brewed beverages and wine for consumption at a  
26 specific art exhibit event.

27           (b) The director may issue an art exhibit event permit only for a specific art  
28 exhibit event at premises designated in the application for a limited period specified in  
29 the application.

30           (c) The director may not grant more than 12 art exhibit event permits to a  
31 licensee in a calendar year.

1 (d) An art exhibit event permit may not be exercised during an event that is  
2 expected to attract attendees under 21 years of age.

3 (e) Food must be provided in conjunction with the service of brewed  
4 beverages and wine under an art exhibit event permit.

5 **Sec. 04.09.650. Nonprofit organization event permit.** (a) A nonprofit  
6 organization event permit authorizes the holder to sell or dispense brewed beverages  
7 or wine for consumption at an event organized by the nonprofit organization.

8 (b) Only a nonprofit organization, such as a fraternal, civic, professional, or  
9 patriotic organization, that is incorporated under AS 10.20 and has been active for a  
10 period of at least two years before filing an application is eligible for a nonprofit  
11 organization event permit.

12 (c) The application for a nonprofit organization event permit filed under  
13 AS 04.11.260 must be signed by two officers of the organization. The nonprofit  
14 organization shall submit, together with the application,

15 (1) either a signed copy of a resolution adopted by the board of  
16 directors or a copy of the minutes from a board meeting of the nonprofit organization  
17 authorizing the application; and

18 (2) a sworn affidavit showing the length of time the organization has  
19 been in existence.

20 (d) The director may not issue more than five nonprofit organization event  
21 permits to a nonprofit organization, including an auxiliary of the organization, in a  
22 calendar year. A nonprofit organization event permit may only be issued for  
23 designated premises for a specific occasion and for a limited period of time as  
24 specified in the application.

25 (e) The nonprofit organization shall ensure that all profits derived from the  
26 sale of brewed beverages or wine under a nonprofit organization event permit are paid  
27 to the organization that holds the permit and not to an individual.

28 **Sec. 04.09.660. Alcoholic beverage auction permit.** (a) An alcoholic  
29 beverage auction permit authorizes the holder to sell alcoholic beverages by outcry or  
30 silent auction. An alcoholic beverage auction permit is sufficient to authorize a  
31 nonprofit organization under (b) of this section to sell alcoholic beverages by outcry or

1           silent auction, and no other permit or license is required. An alcoholic beverage  
2           auction permit may be operated on the licensed premises of a beverage dispensary  
3           license, beverage dispensary tourism license, club license, restaurant or eating place  
4           license, or seasonal restaurant or eating place license.

5           (b) Only a nonprofit organization, such as a fraternal, civic, professional, or  
6           patriotic organization, that is incorporated under AS 10.20 and has been active for a  
7           period of at least two years before filing an application is eligible for an alcoholic  
8           beverage auction permit.

9           (c) The application for an alcoholic beverage auction permit filed under  
10          AS 04.11.260 must be signed by two officers of the organization. The nonprofit  
11          organization shall submit, together with the application,

12                 (1) either a signed copy of a resolution adopted by the board of  
13                 directors or a copy of the minutes of a board meeting of the nonprofit organization  
14                 authorizing the application; and

15                 (2) a sworn affidavit showing the length of time the organization has  
16                 been in existence.

17           (d) The director may not issue more than five alcoholic beverage auction  
18           permits to a nonprofit organization, including an auxiliary of the organization, in a  
19           calendar year. The director may issue a permit only for designated premises for a  
20           specific event and for a limited period as specified in the application.

21           (e) The nonprofit organization shall ensure that all profits derived from the  
22           sale of brewed beverages or wine under an alcoholic beverage auction permit are paid  
23           to the organization that holds the permit and not to an individual.

24           (f) The nonprofit organization may not permit consumption at the auction site  
25           of the alcoholic beverages being auctioned under a nonprofit organization alcoholic  
26           beverage auction permit.

27           **Sec. 04.09.670. Tasting event permit.** (a) A tasting event permit authorizes  
28           the holder of a beverage dispensary license or a beverage dispensary tourism license to  
29           sell or dispense alcoholic beverages at a tasting event held in partnership with the  
30           holder of a package store license, brewery retail license, winery retail license, or  
31           distillery retail license.

1 (b) A tasting event must be for the purpose of promoting products available  
 2 for purchase from the partnering package store licensee, brewery retail licensee,  
 3 winery retail licensee, or distillery retail licensee; only products produced or sold by  
 4 the partnering licensee may be sold or dispensed at the event.

5 (c) Only the holder of a beverage dispensary license or a beverage dispensary  
 6 tourism license may apply for a tasting event permit under this section. An application  
 7 for a tasting event permit must list both the beverage dispensary licensee or beverage  
 8 dispensary tourism licensee and the partnering licensee, and specify the designated  
 9 premises for the event. The tasting event must be held in the same municipality or  
 10 organized village in which the licensed premises of the partnering licensee are located.

11 (d) The director may not issue more than six permits in a calendar year to a  
 12 beverage dispensary licensee or a beverage dispensary tourism licensee for tasting  
 13 events with a particular partnering licensee; however, there is no limit on the number  
 14 of different partnering licensees with whom a beverage dispensary licensee may  
 15 partner for different events. If a person holds two or more qualifying partnering  
 16 licenses, then the director shall treat each license as separate and distinct when  
 17 applying the limitation under this subsection, regardless of how many other licenses  
 18 the person holds, wholly or in part.

19 (e) The director may not issue a tasting event permit for a period that

20 (1) is longer than four hours;

21 (2) lasts beyond 9:00 p.m.

22 (f) Food must be provided in conjunction with the service of alcoholic  
 23 beverages under a tasting event permit.

24 (g) In this section, "partnering licensee" means the holder of a package store  
 25 license, brewery retail license, winery retail license, or distillery retail license who has  
 26 partnered with the holder of a beverage dispensary license or a beverage dispensary  
 27 tourism license to host a tasting event permitted by this section.

28 **Sec. 04.09.680. Inventory resale permit.** (a) An inventory resale permit  
 29 authorizes the holder to sell the remaining inventory of alcoholic beverages of a  
 30 business when the owner of the business no longer has a valid license under this title.

31 (b) The fee for an inventory resale permit is \$100.

1 (c) The holder of an inventory resale permit may sell the remaining alcoholic  
2 beverage inventory only to the holder of a valid license under this chapter.

3 (d) The director may issue an inventory resale permit for a period ending 90  
4 days after the date of expiration or forfeiture of the license. The director may not issue  
5 a permit if the license was suspended or revoked.

6 **Sec. 04.09.690. Conditional contractor's permit.** (a) A conditional  
7 contractor's permit authorizes the holder to sell brewed beverages or wine for  
8 consumption only on designated premises for the designated period of the permit  
9 under AS 04.11.680 at construction sites that are located outside a city and inside the  
10 boundaries of a military or naval reservation.

11 (b) The biennial conditional contractor's permit fee is \$1,200.

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

18 (d) A conditional contractor's permit may not be transferred and is not valid  
19 after the completion of the holder's contract or the closing of the military or naval  
20 reservation.

21 **Sec. 04.09.700. Failure to comply with a permit requirement.** (a) A person  
22 who engages in activity that requires a permit under AS 04.09.600 - 04.09.690 without  
23 having a permit and a person who violates the terms of a permit issued under  
24 AS 04.09.600 - 04.09.690 commits the offense of failure to comply with a permit  
25 requirement.

26 (b) Except as provided in (c) of this section, failure to comply with a permit  
27 requirement is a violation punishable under AS 04.21.072.

28 (c) Failure to comply with a permit requirement of an inventory resale permit  
29 under AS 04.09.680 or a conditional contractor's permit under AS 04.09.690 is  
30 punishable by a fine of \$500.

31 **Article 7. Common Carrier Approval.**

1           **Sec. 04.09.750. Common carrier approval.** (a) A common carrier may not  
2 transport or deliver alcoholic beverages to a person in the state unless the board has  
3 approved the common carrier under (b) of this section.

4           (b) A common carrier may apply to the board, on a form prescribed by the  
5 board, for approval to transport and deliver alcoholic beverages to persons in the state.  
6 The board shall approve an application if the common carrier certifies that it will meet  
7 the requirements under (c) and (d) of this section.

8           (c) A common carrier delivering alcoholic beverages to a person in the state  
9 shall ensure that the package containing alcoholic beverages is delivered directly to a  
10 person who

11                   (1) presents identification and acceptable proof of age under  
12 AS 04.21.050 showing that the person is 21 years of age or older; and

13                   (2) provides a signature acknowledging that the person received the  
14 package.

15           (d) A common carrier approved by the board under (b) of this section shall  
16 make records of shipments of alcoholic beverages to persons in the state available for  
17 inspection and audit by the board. The board may require periodic reporting of  
18 approved common carriers on a form prescribed by the board.

19           (e) The board shall maintain, periodically review, and make available for  
20 public inspection a list of approved common carriers for transport and delivery of  
21 alcoholic beverages to persons in the state.

22           (f) The board may remove a previously approved common carrier from the list  
23 if the common carrier transports or delivers alcoholic beverages in violation of (c) or  
24 (d) of this section.

25           (g) A common carrier that has not been approved by the board to transport and  
26 deliver alcoholic beverages and that transports or delivers alcoholic beverages into or  
27 within the state commits the offense of unapproved common carrier transport or  
28 delivery of alcoholic beverages.

29           (h) Unapproved common carrier transport or delivery of alcoholic beverages is  
30 a violation and is punishable by a fine of \$500.

31           (i) An approved common carrier that violates a provision under (c) or (d) of

1 this section commits the offense of common carrier noncompliance for transport or  
2 delivery of alcoholic beverages.

3 (j) Common carrier noncompliance for transport or delivery of alcoholic  
4 beverages is a violation.

5 (k) In this section,

6 (1) "common carrier" means a motor vehicle, watercraft, aircraft, or  
7 railroad car available for public hire to transport freight or passengers;

8 (2) "transport" has the meaning given in AS 04.11.499.

9 \* **Sec. 10.** AS 04.11.010(a) is amended to read:

10 (a) A [EXCEPT AS PROVIDED IN AS 04.11.020, A] person may not  
11 knowingly [MANUFACTURE, SELL, OFFER FOR SALE,] possess for [SALE OR]  
12 barter, traffic in, or barter an alcoholic beverage unless under license or permit issued  
13 under this title.

14 \* **Sec. 11.** AS 04.11.010(b) is amended to read:

15 (b) Except as provided in this subsection, a person may not solicit or receive  
16 orders for the delivery of an alcoholic beverage in an area that has adopted a local  
17 option under AS 04.11.491. If the area has adopted a local option under  
18 AS 04.11.491(a)(1), (2), or (3), or (b)(1) or (2), a package store licensee outside of that  
19 local option area may receive orders as provided under **a package store shipping**  
20 **endorsement under AS 04.09.460** [AS 04.11.150] but may not solicit in that area or  
21 receive orders through an agent or employee in that area. This subsection does not  
22 apply to a package store licensee who operates a package store in an area that has  
23 adopted a local option under AS 04.11.491(a)(2)(C) or (3)(C) or (b)(2)(C). A person  
24 who violates this subsection is punishable upon conviction as provided under  
25 AS 04.16.200(a) or (b).

26 \* **Sec. 12.** AS 04.11.010(c) is amended to read:

27 (c) Unless a municipality or established village has adopted a more restrictive  
28 local option under AS 04.11.491(g), in a criminal prosecution for possession of  
29 alcoholic beverages for **barter or** sale in violation of (a) of this section, **AS 04.09.060,**  
30 **04.09.070, 04.09.140, 04.09.145, 04.09.370, or 04.09.380,** the fact that a person

31 (1) possessed more than 10 1/2 liters of distilled spirits or 24 liters or

1 more of wine, or either a half-barrel keg [HALF-KEG] of brewed [MALT]  
 2 beverages or 15.5 [12] gallons or more of brewed [MALT] beverages in individual  
 3 containers in an area where the sale of alcoholic beverages is restricted or prohibited  
 4 under AS 04.11.491 creates a presumption that the person possessed the alcoholic  
 5 beverages for barter or sale;

6 (2) sends, transports, or brings more than 10 1/2 liters of distilled  
 7 spirits or 24 liters or more of wine, or either a half-barrel keg [HALF-KEG] of  
 8 brewed [MALT] beverages or 15.5 [12] gallons or more of brewed [MALT]  
 9 beverages in individual containers to an area where the sale of alcoholic beverages is  
 10 restricted or prohibited under AS 04.11.491 creates a presumption that the person sent,  
 11 transported, or brought the alcoholic beverages for barter or sale in the area.

12 \* **Sec. 13.** AS 04.11.015 is amended to read:

13 **Sec. 04.11.015. Purchase from nonlicensee prohibited.** (a) A person may not  
 14 purchase or barter for alcoholic beverages from a person who is not a licensee,  
 15 permittee, or an agent or employee of a licensee or permittee.

16 (b) A person who violates (a) of this section is guilty of a violation.

17 \* **Sec. 14.** AS 04.11.040 is amended by adding new subsections to read:

18 (d) A person who transfers a license or permit or a controlling interest in a  
 19 license or permit in violation of this section commits the offense of unauthorized  
 20 transfer of an alcoholic beverage license or permit.

21 (e) Unauthorized transfer of an alcoholic beverage license or permit is a  
 22 violation.

23 \* **Sec. 15.** AS 04.11.045 is amended by adding new subsections to read:

24 (c) A limited liability organization that fails to report as required under (a) of  
 25 this section commits the offense of failure to report a change in member interest or  
 26 manager.

27 (d) Failure to report a change in member interest or manager is a violation.

28 \* **Sec. 16.** AS 04.11.050 is amended by adding new subsections to read:

29 (d) A corporation that fails to report as required under (a) of this section, other  
 30 than a corporation described in (c) of this section, commits the offense of failure to  
 31 report a stock transfer or change of officers or board members.

1 (e) Failure to report a stock transfer or change of officers or board members is  
2 a violation.

3 \* **Sec. 17.** AS 04.11.055 is amended by adding new subsections to read:

4 (c) A partnership that fails to report as required under (a) of this section  
5 commits the offense of failure to report a transfer of partnership interest or change of  
6 general partner.

7 (d) Failure to report a transfer of partnership interest or change of general  
8 partner is a violation.

9 \* **Sec. 18.** AS 04.11.060 is amended to read:

10 **Sec. 04.11.060. Nonresident distiller, brewer, winery, or wholesaler.** A  
11 distiller, brewer, winery, or wholesaler whose plant or principal place of business is  
12 outside the state may not sell products directly to licensees in the state without

13 (1) obtaining a general wholesale license under AS 04.09.100  
14 [AS 04.11.160(a)] for each wholesale distributing point in the state;

15 (2) appointing an agent upon whom process can be served; and

16 (3) obtaining other applicable licenses under the provisions of this title.

17 \* **Sec. 19.** AS 04.11.060 is amended by adding a new subsection to read:

18 (b) A person who violates (a) of this section is guilty of a class A  
19 misdemeanor.

20 \* **Sec. 20.** AS 04.11.170 is amended by adding new subsections to read:

21 (f) The holder of a distillery license may combine the distillery's product  
22 under (d) and (e) of this section with other ingredients that are not alcoholic beverages,  
23 including mixers, liquids, or garnishes.

24 (g) In this section, "distillery's product" means an alcoholic beverage distilled  
25 on the licensed premises.

26 \* **Sec. 21.** AS 04.11.260 is amended to read:

27 **Sec. 04.11.260. Application for new license, endorsement, or permit.** (a) An  
28 applicant for a new license, endorsement, or permit shall file with the director a  
29 written application, signed and sworn to by the applicant, giving the applicant's name,  
30 mailing address, telephone number, and electronic mail address. If the applicant is  
31 a corporation, the application shall be executed by an [THE] authorized officer

1 [OFFICERS] of the corporation. If the applicant is a partnership, including a limited  
2 partnership, the application shall be executed by an authorized general partner. The  
3 application must include

4 (1) the type of license, endorsement, or permit desired;

5 (2) a description of the premises for which the license, endorsement,  
6 or permit is desired, giving the address by street and number, or other information, so  
7 that the location of the premises can be definitely determined;

8 (3) an annotated illustration of the premises designating the areas  
9 for manufacture, storage, service, and consumption of alcoholic beverages and,  
10 for a license application, the area for warehousing of the alcoholic beverages;

11 (4) the license, endorsement, or permit fee, and, for a multiple fixed  
12 counter endorsement, the application fee for each counter;

13 (5) [(4)] the duration of the license, endorsement, or permit desired,  
14 including, for a permit, a statement of the event dates and the specific hours of  
15 intended operation;

16 (6) [(5)] any other information required by the board.

17 (b) A corporation applying for a license or conditional contractor's permit  
18 under AS 04.09.690 shall provide the names and addresses of the president, vice-  
19 president, secretary, managing officer, and all stockholders who own 10 percent or  
20 more of the stock in the corporation, together with any other information required by  
21 the board.

22 (c) An applicant for a new license or permit must include with the application

23 (1) proof that notice required by AS 04.11.310, if any, has been given;

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

26 (3) evidence of any approval by public authorities required to be  
27 obtained [UNDER AS 04.11.090(e), 04.11.220(c), 04.11.230(b), 04.11.240(b), OR  
28 04.11.250(b),] before a license or permit may be issued, including

29 (A) written approval under AS 04.09.240 from the  
30 governing body of a college or university for a pub license;

31 (B) approval under AS 04.11.365 for a restaurant or eating

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place license in a multi-unit residential housing development owned or financed by the Alaska Housing Finance Corporation;

(C) permission from the commanding officer and the prime contractor for a conditional contractor's permit under AS 04.09.690;

(D) for a permit other than a conditional contractor's permit, approval of the law enforcement agency having jurisdiction over the site of the event for which the permit is sought.

(d) A partnership, including a limited partnership, that applies for a license or conditional contractor's permit under AS 04.09.690 shall provide information required by the board including the names and addresses of all general partners and all partners with an interest of 10 percent or more.

(e) A limited liability organization that applies for a license or conditional contractor's permit under AS 04.09.690 shall provide information required by the board, including the names and addresses of all members with an ownership interest of 10 percent or more and the names and addresses of all managers.

\* **Sec. 22.** AS 04.11.260 is amended by adding a new subsection to read:

(f) This section does not apply to a winery direct shipment license issued under AS 04.09.360.

\* **Sec. 23.** AS 04.11.270 is amended to read:

**Sec. 04.11.270. Application for renewal of license, license with endorsement, or conditional contractor's permit.** (a) An application for renewal of a license, license with endorsement, or [RENEWAL OF A] conditional contractor's permit under AS 04.09.690 must include

(1) the information required for a new license, license with endorsement, or permit under AS 04.11.260 except that proof of notice under AS 04.11.310 is not required; and

(2) a list of all convictions of the applicant of violations of this title, a regulation adopted under this title, or an ordinance adopted under AS 04.21.010, that occurred in the preceding two calendar years.

(b) A license, license with endorsement, or permit shall be renewed as follows:

1 (1) on or before November 1, the director shall mail a renewal  
2 application to each licensee whose license, license with endorsement, or permit,  
3 unless renewed, will expire on December 31 of that year; the application shall be  
4 mailed to the licensee or permittee [AT THE LICENSED PREMISES OR] at a  
5 mailing address or electronic mail address furnished by the licensee or permittee;

6 (2) the licensee or permittee shall submit the completed renewal  
7 application and the biennial [LICENSE] fee to the director before January 1;

8 (3) a renewal application filed after December 31 is delinquent and  
9 must be accompanied by a \$500 penalty fee;

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

12 \* **Sec. 24.** AS 04.11.270 is amended by adding a new subsection to read:

13 (c) This section does not apply to a winery direct shipment license issued  
14 under AS 04.09.360.

15 \* **Sec. 25.** AS 04.11.280 is amended to read:

16 **Sec. 04.11.280. Application for transfer of a license to another person.** (a)  
17 An application for transfer of a license or a license with one or more endorsements  
18 to another person must contain the same information about the transferee as is required  
19 of an applicant for a new license or endorsement under AS 04.11.260 and must  
20 include other information required by the board.

21 (b) An application for the transfer of a license or a license with one or more  
22 endorsements to another person must be accompanied by a statement, under oath,  
23 executed by the transferor, listing all debts of the business and all taxes due by the  
24 business. The board shall promptly inform each listed creditor of the application and  
25 the amount shown as owed to that creditor.

26 \* **Sec. 26.** AS 04.11.295(a) is amended to read:

27 (a) An applicant for the issuance or transfer of a license or issuance of a  
28 conditional contractor's permit under this title shall submit to the board, with the  
29 application, the applicant's fingerprints and the fees required by the Department of  
30 Public Safety under AS 12.62.160 for criminal justice information and a national  
31 criminal history record check. The board may require an applicant for renewal of a

1 license or a conditional contractor's permit under this title to submit fingerprints and  
2 pay fees as required by this subsection. The board shall submit the fingerprints to the  
3 Department of Public Safety to obtain a report of criminal justice information under  
4 AS 12.62 and a national criminal history record check under AS 12.62.400. The  
5 Department of Public Safety may submit the fingerprints to the Federal Bureau of  
6 Investigation for a national criminal history record check. The board shall use the  
7 information obtained under this section in its determination of an applicant's  
8 qualification for issuance, transfer, or renewal of a license or issuance or renewal of a  
9 conditional contractor's permit.

10 \* **Sec. 27.** AS 04.11.295(b)(1) is amended to read:

11 (1) "applicant" means all individuals whose names and addresses are  
12 required to be provided with an application for a new license or conditional  
13 contractor's permit under AS 04.09.690 [AS 04.11.260];

14 \* **Sec. 28.** AS 04.11.310 is amended by adding a new subsection to read:

15 (c) This section does not apply to a winery direct shipment license issued  
16 under AS 04.09.360.

17 \* **Sec. 29.** AS 04.11 is amended by adding a new section to article 3 to read:

18 **Sec. 04.11.315. False statement on application.** A person who knowingly  
19 makes a false sworn statement that the person does not believe to be true on an  
20 application under AS 04.11.260 - 04.11.310 commits the crime of perjury under  
21 AS 11.56.200.

22 \* **Sec. 30.** AS 04.11.320(a) is amended to read:

23 (a) An application requesting issuance of a new license or endorsement shall  
24 be denied if

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

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

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

1 (4) issuance of the license or endorsement would violate the  
2 restrictions pertaining to the particular license or endorsement imposed under this  
3 title;

4 (5) issuance of the license is prohibited under this title as a result of an  
5 election conducted under AS 04.11.507;

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

9 (7) issuance of the license is prohibited under AS 04.11.400(a) or  
10 prohibition of issuance of the license is found necessary under AS 04.11.400(b);

11 (8) the application contains false statements of material fact;

12 (9) the license is sought for the sale of alcoholic beverages in a first or  
13 second class city where there are no licensed premises at the time of application unless  
14 a majority of the voters have voted not to approve a local option to restrict or prohibit  
15 the sale of alcoholic beverages under AS 04.11.491, have voted to approve a local  
16 option to allow the type of premises under AS 04.11.491(a)(2) or (3), or have voted to  
17 remove a restriction or prohibition on the sale of alcoholic beverages under  
18 AS 04.11.495; or

19 (10) the license is sought for the sale of alcoholic beverages in an  
20 established village where there are no licensed premises at the time of application  
21 unless a majority of the voters have voted not to approve a local option to restrict or  
22 prohibit the sale of alcoholic beverages under AS 04.11.491, have voted to approve a  
23 local option to allow the type of premises under AS 04.11.491(b)(2), or have voted to  
24 remove a restriction or prohibition on the sale of alcoholic beverages under  
25 AS 04.11.495.

26 \* **Sec. 31.** AS 04.11.330(a) is amended to read:

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

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

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

31 (3) the applicant has not operated the licensed premises for at least 240

1        **hours** [30 EIGHT-HOUR DAYS] during each of the two preceding calendar years,  
 2        unless the board determines that the licensed premises are under construction or  
 3        cannot be operated through no fault of the applicant;

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

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

8                (6) renewal of the license would violate the restrictions pertaining to  
 9        the particular license under this title or the license has been operated in violation of a  
 10       condition or restriction imposed by the board;

11               (7) renewal of the license is prohibited under this title as a result of an  
 12       election conducted under AS 04.11.507; **or**

13               (8) the application has not been completed in accordance with  
 14       AS 04.11.270 [; OR

15               (9) THE LICENSE WAS ISSUED UNDER AS 04.11.400(g), AND  
 16       THE BOARD FINDS THAT THE PUBLIC CONVENIENCE DOES NOT  
 17       REQUIRE RENEWAL].

18       \* **Sec. 32.** AS 04.11.330(a), as amended by sec. 31 of this Act, is amended to read:

19               (a) An application requesting renewal of a license **or endorsement** shall be  
 20       denied if

21                (1) the board finds, after review of all relevant information, that  
 22       renewal of the license **or endorsement** would not be in the best interests of the public;

23                (2) the license **or endorsement** has been revoked for any cause;

24                (3) the applicant has not operated the licensed premises for at least **240**  
 25       **hours** [30 EIGHT-HOUR DAYS] during each of the two preceding calendar years,  
 26       unless the board determines that the licensed premises are under construction or  
 27       cannot be operated through no fault of the applicant;

28                (4) the board finds that issuance of an existing **beverage dispensary**  
 29       **tourism** license under **AS 04.09.340 or seasonal restaurant or eating place tourism**  
 30       **license under AS 04.09.350** [AS 04.11.400(d)] has not encouraged tourist trade;

31                (5) the requirements of AS 04.11.420 - 04.11.450 relating to zoning,

1 ownership of the license, and financing of the licensee have not been met;

2 (6) renewal of the license or endorsement would violate the  
3 restrictions pertaining to the particular license or endorsement under this title or the  
4 license or endorsement has been operated in violation of a condition or restriction  
5 imposed by the board;

6 (7) renewal of the license is prohibited under this title as a result of an  
7 election conducted under AS 04.11.507; or

8 (8) the application has not been completed in accordance with  
9 AS 04.09.360 or AS 04.11.270.

10 \* **Sec. 33.** AS 04.11.330(d) is amended to read:

11 (d) Notwithstanding (a)(3) of this section, a common carrier dispensary  
12 license issued under AS 04.09.260 or a sporting event [RECREATIONAL SITE]  
13 license issued under AS 04.09.270 [AS 04.11.210] may be renewed if the license was  
14 exercised at least once during each of the two preceding calendar years.

15 \* **Sec. 34.** AS 04.11.330 is amended by adding a new subsection to read:

16 (e) The requirements of (a)(3), (a)(5), and (a)(7) of this section do not apply to  
17 a winery direct shipment license issued under AS 04.09.360.

18 \* **Sec. 35.** AS 04.11.340 is amended to read:

19 **Sec. 04.11.340. Denial of request for relocation.** An application requesting  
20 approval for the relocation of licensed premises shall be denied if

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

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

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

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

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

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

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

5 (8) relocation of the license is prohibited under this title as a result of  
6 an election conducted under AS 04.11.507; or

7 (9) the license was issued under AS 04.11.400(d) [, (e), OR (g)].

8 \* **Sec. 36.** AS 04.11.340, as amended by sec. 35 of this Act, is amended to read:

9 **Sec. 04.11.340. Denial of request for relocation.** An application requesting  
10 approval for the relocation of licensed premises shall be denied if

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

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

14 (3) the license would be relocated out of the established village,  
15 incorporated city, unified municipality, or population area established under  
16 AS 04.11.400(a) within which it is located except as provided under  
17 AS 04.11.400(k);

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

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

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

25 (7) relocation of the license would violate the restrictions pertaining to  
26 the particular license imposed by this title; or

27 (8) relocation of the license is prohibited under this title as a result of  
28 an election conducted under AS 04.11.507 [; OR

29 (9) THE LICENSE WAS ISSUED UNDER AS 04.11.400(d)].

30 \* **Sec. 37.** AS 04.11.360 is amended to read:

31 **Sec. 04.11.360. Denial of transfer of a license to another person.** An

1 application requesting approval of a transfer of a license to another person under this  
2 title shall be denied if

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

5 (2) the application has not been completed in accordance with  
6 AS 04.11.280;

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

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

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

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

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

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

21 (7) transfer of the license to another person is prohibited under the  
22 provisions of this title as a result of an election conducted under AS 04.11.507;

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

25 (9) the license was issued under AS 04.11.100(f) [OR 04.11.400(g)];  
26 however, this paragraph does not apply to a beverage dispensary license issued before  
27 June 6, 1985, under former AS 04.11.400(j) if the transfer does not involve a change  
28 in location; or

29 (10) the license was issued under AS 04.11.135, unless the transferor is  
30 also applying to transfer the beverage dispensary license required under AS 04.11.135  
31 to the same transferee.

1 \* **Sec. 38.** AS 04.11.365 is amended to read:

2 **Sec. 04.11.365. Licensed premises in multi-unit residential housing**  
3 **developments owned or financed by the Alaska Housing Finance Corporation.**

4 For premises located in a multi-unit residential housing development owned or  
5 financed by the Alaska Housing Finance Corporation, the board may issue a new  
6 license under AS 04.11.320, renew a license under AS 04.11.330, or approve a request  
7 for relocation under AS 04.11.340 if the Alaska Housing Finance Corporation  
8 authorizes the use under AS 18.56.230 and

9 [(1) THE LICENSE IS FOR A RESTAURANT OR EATING PLACE  
10 UNDER AS 04.11.100; OR

11 (2)] the premises are covered by a restaurant endorsement  
12 [DESIGNATED BY THE BOARD AS A RESTAURANT] under AS 04.09.450  
13 [AS 04.16.049].

14 \* **Sec. 39.** AS 04.11.370(a) is amended to read:

15 (a) A license, endorsement, or permit shall be suspended or revoked if the  
16 board finds

17 (1) misrepresentation of a material fact on an application made under  
18 this title or a regulation adopted under this title;

19 (2) continuation of the manufacture, sale, or service of alcoholic  
20 beverages by the licensee or permittee would be contrary to the best interests of the  
21 public;

22 (3) failure on the part of the licensee to correct a defect that constitutes  
23 a violation of this title, a condition or restriction imposed by the board, a regulation  
24 adopted under this title, or other laws after receipt of notice issued by the board or its  
25 agent;

26 (4) conviction of a licensee of a violation of this title, a regulation  
27 adopted under this title, or an ordinance adopted under AS 04.21.010;

28 (5) conviction of an agent or employee of a licensee of a violation of  
29 this title, a regulation adopted under this title, or an ordinance adopted under  
30 AS 04.21.010, if the licensee is found by the board to have either knowingly allowed  
31 the violation or to have recklessly or with criminal negligence failed to act in

1 accordance with the duty prescribed under AS 04.21.030 with the result that the agent  
2 or employee violates a law, regulation, or ordinance;

3 (6) failure of the licensee to comply with the public health, fire, or  
4 safety laws and regulations in the state;

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

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

12 (9) the licensee permitted a public offense involving moral turpitude to  
13 occur on the licensed premises;

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

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

24 \* **Sec. 40.** AS 04.11.395 is amended to read:

25 **Sec. 04.11.395. Conditions [BOARD IMPOSED CONDITIONS] or**  
26 **restrictions imposed on a license, endorsement, or permit.** The board may, in the  
27 best interests of the public, impose conditions or restrictions on a license,  
28 **endorsement,** or permit issued under this chapter.

29 \* **Sec. 41.** AS 04.11.395 is amended by adding a new subsection to read:

30 (b) Except for a conditional contractor's permit issued under AS 04.09.690,  
31 the director may, in the best interests of the public, impose conditions or restrictions

1 on a permit issued under this chapter.

2 \* **Sec. 42.** AS 04.11.400(a) is amended to read:

3 (a) Except as provided in (d), (f), and (h) - (k) [(d) - (k)] of this section **and**  
4 AS 04.11.405, a new license may not be issued and the board may prohibit relocation  
5 of an existing license

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

15 (2) inside an established village, incorporated city, or unified  
16 municipality if, after the issuance or relocation, there would be inside the established  
17 village, incorporated city, or unified municipality

18 (A) more than one restaurant or eating place license for each  
19 1,500 population or fraction of that population; or

20 (B) more than one license of each other type, including licenses  
21 that have been issued under (d) [OR (e)] of this section, for each 3,000  
22 population or fraction of that population;

23 (3) inside an organized borough but outside an established village or  
24 incorporated city located within the borough if, after the issuance or relocation, there  
25 would be inside the borough, but outside the established villages and incorporated  
26 cities located within the borough,

27 (A) more than one restaurant or eating place license for each  
28 1,500 population or fraction of that population; or

29 (B) more than one license of each other type, including licenses  
30 that have been issued under (d) [OR (e)] of this section, for each 3,000  
31 population or fraction of that population excluding the population of those

1 established villages that have adopted a local option under AS 04.11.491(b)(1),  
2 (3), or (4), and excluding the population of incorporated cities located within  
3 the organized borough.

4 \* **Sec. 43.** AS 04.11.400(a), as amended by sec. 42 of this Act, is amended to read:

5 (a) Except as provided in **(f), (i), and (k)** [(d), (f), and (h) - (k)] of this section  
6 and AS 04.11.405, a new license may not be issued and the board may prohibit  
7 relocation of an existing license

8 (1) outside an established village, incorporated city, unified  
9 municipality, or organized borough if, after the issuance or relocation, **in a radius of**  
10 **five miles of the licensed premises, excluding the populations of established**  
11 **villages, incorporated cities, unified municipalities, and organized boroughs that**  
12 **are wholly or partly included within the radius,** there would be

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

15 (B) **more than one brewery retail, one winery retail, and**  
16 **one distillery retail license for each 9,000 population or fraction of that**  
17 **population; or**

18 (C) more than one license of each other type, **except a type**  
19 **listed in (i) of this section** [INCLUDING LICENSES THAT HAVE BEEN  
20 ISSUED UNDER (d) OF THIS SECTION], for each 3,000 population or  
21 fraction of that population [, IN A RADIUS OF FIVE MILES OF THE  
22 LICENSED PREMISES, EXCLUDING THE POPULATIONS OF  
23 ESTABLISHED VILLAGES, INCORPORATED CITIES, UNIFIED  
24 MUNICIPALITIES, AND ORGANIZED BOROUGHS THAT ARE  
25 WHOLLY OR PARTLY INCLUDED WITHIN THE RADIUS];

26 (2) inside an established village, incorporated city, or unified  
27 municipality if, after the issuance or relocation, there would be inside the established  
28 village, incorporated city, or unified municipality

29 (A) more than one restaurant or eating place license for each  
30 1,500 population or fraction of that population; [OR]

31 (B) **more than one brewery retail, one winery retail, and**

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one distillery retail license for each 9,000 population or fraction of that population; or

(C) more than one license of each other type, except a type listed in (i) of this section [INCLUDING LICENSES THAT HAVE BEEN ISSUED UNDER (d) OF THIS SECTION], for each 3,000 population or fraction of that population;

(3) inside an organized borough but outside an established village or incorporated city located within the borough if, after the issuance or relocation, there would be inside the borough, but outside the established villages and incorporated cities located within the borough, excluding the population of those established villages that have adopted a local option under AS 04.11.491(b)(1) or (3), and excluding the population of incorporated cities located within the organized borough;

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

(B) more than one brewery retail, one winery retail, and one distillery retail license for each 9,000 population or fraction of that population; or

(C) more than one license of each other type, except a type listed in (i) of this section [INCLUDING LICENSES THAT HAVE BEEN ISSUED UNDER (d) OF THIS SECTION], for each 3,000 population or fraction of that population [EXCLUDING THE POPULATION OF THOSE ESTABLISHED VILLAGES THAT HAVE ADOPTED A LOCAL OPTION UNDER AS 04.11.491(b)(1), (3), OR (4), AND EXCLUDING THE POPULATION OF INCORPORATED CITIES LOCATED WITHIN THE ORGANIZED BOROUGH].

\* Sec. 44. AS 04.11.400(i) is repealed and reenacted to read:

- (i) This section does not apply to a
  - (1) brewery manufacturer license issued under AS 04.09.020;
  - (2) winery manufacturer license issued under AS 04.09.030;
  - (3) distillery manufacturer license issued under AS 04.09.040;

1 (4) general wholesale license issued under AS 04.09.100;

2 (5) limited wholesale brewed beverage and wine license under  
3 AS 04.09.110;

4 (6) outdoor recreation lodge license issued under AS 04.09.280;

5 (7) destination resort license issued under AS 04.09.300;

6 (8) beverage dispensary tourism license issued under AS 04.09.340;

7 (9) seasonal restaurant or eating place tourism license issued under  
8 AS 04.09.350;

9 (10) winery direct shipment license issued under AS 04.09.360;

10 (11) conditional contractor's permit issued under AS 04.09.690.

11 \* **Sec. 45.** AS 04.11.400(k) is amended to read:

12 (k) The board may allow the relocation of an existing beverage dispensary  
13 license under **AS 04.09.200 or former** AS 04.11.090 to a restaurant, eating place, or  
14 hotel, motel, resort, or similar business that contains a restaurant or eating place, **or of**  
15 **an existing package store license under AS 04.09.230 or former AS 04.11.150,** in a  
16 borough with a population of **50,000** [60,000] or more [IF THE GOVERNING BODY  
17 OF THE BOROUGH APPROVES THE RELOCATION. HOWEVER, IF THE  
18 RELOCATION OF THE LICENSE IS] into or within an incorporated city in the  
19 borough. **The** [, THE] board may not approve the relocation unless, **at the time of**  
20 **application, the existing number of issued licenses of the type under consideration**  
21 **for relocation located within the borough exceeds the maximum allowed under**  
22 **(a) of this section, and** the governing bodies of both the borough and the incorporated  
23 city approve the relocation. The board may allow not more than three relocations **into**  
24 **each city** [IN A BOROUGH] under this subsection each decade. In this subsection,  
25 "decade" means each 10-year period beginning April 1 in a year ending in zero.

26 \* **Sec. 46.** AS 04.11 is amended by adding a new section to read:

27 **Sec. 04.11.405. Petition for additional restaurant or eating place licenses**  
28 **for certain local governing bodies.** (a) A first class city, a home rule city, or a unified  
29 municipality may submit a resolution to the board, adopted by its legislative body,  
30 petitioning the board for the issuance of additional restaurant or eating place licenses  
31 under AS 04.11.100 that exceed the limits under AS 04.11.400(a) in accordance with

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this section.

(b) The board, following a public hearing, may issue one or more additional restaurant or eating place licenses under AS 04.11.100, within the boundaries of the municipality, if the board finds that

(1) the municipality

(A) serves as a center for commercial activity within and outside the boundaries of the municipality by providing goods and services to a population that is greater than the permanent resident population within the boundaries of the municipality;

(B) maintains a local law enforcement department;

(C) exercises planning and land-use authority; and

(D) at the time of the petition, meets or exceeds the maximum limit under AS 04.11.400(a) for restaurant or eating place licenses issued under AS 04.11.100;

(2) the number of additional licenses does not exceed the number of additional licenses requested by the municipality in the petition; and

(3) granting the additional licenses is in the public interest.

(c) A resolution submitted by a municipality under (a) of this section must include

(1) information demonstrating that the petitioner meets the criteria in (b) of this section;

(2) the most recent estimate of the number of people who claim residency or work outside the boundaries of the municipality and who are served by the municipality, including the

(A) population located outside the boundaries of the municipality that relies on the municipality for goods and services;

(B) visitor population; and

(C) nonresident worker population that resides in the municipality, but that is not counted in the latest federal or state census for the municipality;

(3) the number of existing restaurant or eating place licenses

1 (A) within the boundaries of the municipality;

2 (B) in a geographic area that the municipality serves under (2)

3 of this subsection;

4 (4) information showing that the number of additional licenses  
5 requested does not exceed one license for each 1,500 population of the population  
6 identified under (2) of this subsection; and

7 (5) additional justification, as necessary, to demonstrate that granting  
8 of the additional licenses is in the public interest.

9 (d) If the board grants a petition for additional restaurant or eating place  
10 licenses under this section to a municipality, the board may not authorize additional  
11 restaurant or eating place licenses to the same municipality under this section for the  
12 following three years.

13 \* **Sec. 47.** AS 04.11.405(a), enacted by sec. 46 of this Act, is amended to read:

14 (a) A first class city, a home rule city, or a unified municipality may submit a  
15 resolution to the board, adopted by its legislative body, petitioning the board for the  
16 issuance of additional restaurant or eating place licenses under AS 04.09.210  
17 [AS 04.11.100] that exceed the limits under AS 04.11.400(a) in accordance with this  
18 section.

19 \* **Sec. 48.** AS 04.11.405(b), enacted by sec. 46 of this Act, is amended to read:

20 (b) The board, following a public hearing, may issue one or more additional  
21 restaurant or eating place licenses under AS 04.09.210 [AS 04.11.100], within the  
22 boundaries of the municipality, if the board finds that

23 (1) the municipality

24 (A) serves as a center for commercial activity within and  
25 outside the boundaries of the municipality by providing goods and services to a  
26 population that is greater than the permanent resident population within the  
27 boundaries of the municipality;

28 (B) maintains a local law enforcement department;

29 (C) exercises planning and land-use authority; and

30 (D) at the time of the petition, meets or exceeds the maximum  
31 limit under AS 04.11.400(a) for restaurant or eating place licenses issued under

1                   **AS 04.09.210** [AS 04.11.100];

2                   (2) the number of additional licenses does not exceed the number of  
3 additional licenses requested by the municipality in the petition; and

4                   (3) granting the additional licenses is in the public interest.

5 \* **Sec. 49.** AS 04.11.430 is amended to read:

6                   **Sec. 04.11.430. Person and location.** (a) Each license shall be issued to a  
7 specific individual or individuals, to a partnership, including a limited partnership, to a  
8 limited liability organization, or to a corporation. If the license is issued to a  
9 corporation or a limited liability organization, the registered agent of the corporation  
10 or limited liability organization **may** [MUST] be **either** an individual resident of the  
11 state **or a domestic corporation authorized to transact business in this state whose**  
12 **business office is the same as the registered office.**

13                   (b) Except for a license authorizing the sale of alcoholic beverages on a  
14 common carrier, a specific location shall be indicated on the license or permit as the  
15 licensed premises, the principal address of which shall be indicated on the license or  
16 permit. The mailing address, **telephone number, and electronic mailing address** of a  
17 licensee or, if the licensee is a corporation, the address, **telephone number, and**  
18 **electronic mailing address** of the registered office of the corporation must be kept  
19 current and on file in the main office of the board.

20 \* **Sec. 50.** AS 04.11.450(b) is amended to read:

21                   (b) A person who is a representative or owner of a wholesale business  
22 **licensed under AS 04.09.100 or 04.09.110** [, BREWERY, WINERY, BOTTLING  
23 WORKS, OR DISTILLERY] may not be issued, solely or together with others, a  
24 **manufacturer license issued under AS 04.09.020 - 04.09.040, or a retail license**  
25 **issued under AS 04.09.200 - 04.09.360** [BEVERAGE DISPENSARY LICENSE, A  
26 RESTAURANT OR EATING PLACE LICENSE, OR PACKAGE STORE  
27 LICENSE. A HOLDER OF A BEVERAGE DISPENSARY LICENSE MAY BE  
28 ISSUED A BREWPUB LICENSE, SUBJECT TO THE PROVISIONS OF  
29 AS 04.11.135. THE PROHIBITION AGAINST ISSUANCE OF A RESTAURANT  
30 OR EATING PLACE LICENSE IMPOSED UNDER THIS SUBSECTION DOES  
31 NOT APPLY TO A RESTAURANT OR EATING PLACE LICENSE ISSUED ON

1 OR BEFORE OCTOBER 1, 1996 OR A RESTAURANT OR EATING PLACE  
2 LICENSE ISSUED UNDER AN APPLICATION FOR A RESTAURANT OR  
3 EATING PLACE LICENSE APPROVED ON OR BEFORE OCTOBER 1, 1996].

4 \* **Sec. 51.** AS 04.11.450(e) is amended to read:

5 (e) A holder of either a general wholesale license or a **limited** wholesale  
6 **brewed** [MALT] beverage and wine license may not be employed by or act as the  
7 agent or employee of the holder of a **manufacturer** [BEVERAGE DISPENSARY OR  
8 PACKAGE STORE] license **under AS 04.09.020 - 04.09.040 or a retail license**  
9 **under AS 04.09.200 - 04.09.360.**

10 \* **Sec. 52.** AS 04.11.450 is amended by adding new subsections to read:

11 (g) The holder of a manufacturer license that annually produces in total  
12 300,000 barrels or more of brewed beverages, 50,000 nine-liter-equivalent cases or  
13 more of wine, or 50,000 nine-liter-equivalent cases or more of distilled spirits may not  
14 be issued, solely or together with others, a license under AS 04.09.100 - 04.09.360.

15 (h) For purposes of calculating the volume that the holder of a manufacturer  
16 license produces under this section, the volume of production must include all  
17 production by

18 (1) the holder of the manufacturer's license; and

19 (2) an officer, director, agent, employee, or affiliate of the holder; in  
20 this paragraph, "affiliate" means a person that directly or indirectly, through one or  
21 more intermediaries, controls, or is controlled by, or is under common control with, a  
22 corporation.

23 \* **Sec. 53.** AS 04.11.460 is amended by adding a new subsection to read:

24 (d) This section does not apply to a winery direct shipment license issued  
25 under AS 04.09.360.

26 \* **Sec. 54.** AS 04.11.470 is amended to read:

27 **Sec. 04.11.470. Objection.** A person may object to an application for issuance,  
28 renewal, transfer of location, or transfer to another person of a license, **for issuance,**  
29 **renewal, or transfer to another person of a license with one or more**  
30 **endorsements, for issuance of an endorsement** or for issuance of a permit, by  
31 serving upon the applicant and the board the reasons for the objection. The board shall

1 consider the objections and testimony received at a hearing conducted under  
2 AS 04.11.510(b)(2) when it considers the application. An objection and the record of a  
3 hearing conducted under AS 04.11.510(b)(2) shall be retained as part of the board's  
4 permanent record of its review of the application.

5 \* **Sec. 55.** AS 04.11.480(a) is amended to read:

6 (a) A local governing body may protest the issuance, renewal, relocation, or  
7 transfer to another person of a license, issuance, renewal, or transfer to another  
8 person of a license with one or more endorsements, or issuance of an  
9 endorsement by sending the board and the applicant a protest and the reasons for the  
10 protest within 60 days of the date [RECEIPT FROM THE BOARD] of the notice of  
11 filing of the application. A protest received after the 60-day period may not be  
12 accepted by the board, and in no event may a protest cause the board to reconsider an  
13 approved renewal, relocation, or transfer. The local governing body may protest the  
14 continued operation of a license or endorsement during the second year of the  
15 biennial license period by sending the board and the licensee a protest and the reasons  
16 for the protest by January 31 of the second year of the license. The procedures for  
17 action on a protest of continued operation of a license or endorsement are the same as  
18 the procedures for action on a protest of a renewal application. The board shall  
19 consider a protest and testimony received at a hearing conducted under  
20 AS 04.11.510(b)(2) or (4) when it considers the application or continued operation,  
21 and the protest and the record of the hearing conducted under AS 04.11.510(b)(2) or  
22 (4) shall be kept as part of the board's permanent record of its review. If an application  
23 or continued operation is protested, the board shall deny the application or continued  
24 operation unless the board finds that the protest is arbitrary, capricious, and  
25 unreasonable.

26 \* **Sec. 56.** AS 04.11.480(b) is amended to read:

27 (b) If the permanent residents residing outside of but within two miles of an  
28 incorporated city or an established village wish to protest the issuance, renewal, or  
29 transfer of a license or a license with one or more endorsements within the city or  
30 village, they shall file with the board a petition meeting the requirements of  
31 AS 04.11.510(b)(3) requesting a public hearing not later than [WITHIN] 30 days

1 **after** [OF] the posting of notice required under AS 04.11.310, or by December 31 of  
2 the year application is made for renewal of a license. The board shall consider  
3 testimony received at a hearing conducted under AS 04.11.510(b)(3) when it considers  
4 the application, and the record of a hearing conducted under AS 04.11.510(b)(3) shall  
5 be retained as part of the board's permanent record of its review of the application.

6 \* **Sec. 57.** AS 04.11.480(c) is amended to read:

7 (c) A local governing body may recommend that a license be issued, renewed,  
8 relocated, or transferred, **or that a license with one or more endorsements be**  
9 **issued, renewed, or transferred to another person,** with conditions. The board shall  
10 consider recommended conditions and testimony received at a hearing conducted  
11 under AS 04.11.510(b)(2) or (4) when it considers the application or continued  
12 operation, and the recommended conditions and the record of the hearing conducted  
13 under AS 04.11.510(b)(2) or (4) shall be kept as part of the board's permanent record  
14 of its review. If the local governing body recommends conditions, the board shall  
15 impose the recommended conditions unless the board finds that the recommended  
16 conditions are arbitrary, capricious, or unreasonable. If a condition recommended by a  
17 local governing body is imposed on a licensee, the local governing body shall assume  
18 responsibility for monitoring compliance with the condition, except as otherwise  
19 provided by the board.

20 \* **Sec. 58.** AS 04.11.491(a) is amended to read:

21 (a) If a majority of the persons voting on the question vote to approve the  
22 option, a municipality shall adopt a local option to prohibit

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

- 26 (A) a restaurant or eating place licensee;  
27 (B) a beverage dispensary licensee;  
28 (C) a package store licensee;  
29 (D) a caterer holding a **beverage dispensary caterer's** permit  
30 under **AS 04.09.610** [AS 04.11.230] to sell alcoholic beverages at a site within  
31 the municipality who is also licensed under a beverage dispensary license for

1 premises outside of the municipality;

2 (E) a winery manufacturer licensee; [OR]

3 (F) a winery manufacturer licensee, except that sales may  
4 occur only to a person licensed under this title or in another state or country; or

5 (G) an outdoor recreation lodge;

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

9 (A) a restaurant or eating place license;

10 (B) a beverage dispensary license; or

11 (C) a package store license;

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

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

14 \* **Sec. 59.** AS 04.11.491(b) is amended to read:

15 (b) If a majority of the persons voting on the question vote to approve the  
16 option, an established village shall exercise a local option 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;

23 (D) a caterer holding a beverage dispensary caterer's permit  
24 under AS 04.09.610 [AS 04.11.230] to sell alcoholic beverages at a site within  
25 the established village who is also licensed under a beverage dispensary license  
26 for premises outside of the established village;

27 (E) a winery manufacturer licensee; [OR]

28 (F) a winery manufacturer licensee, except that sales may  
29 occur only to a person licensed under this title or in another state or country; or

30 (G) an outdoor recreation lodge;

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

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

\* **Sec. 60.** AS 04.11.491(d) is amended to read:

(d) The ballot for an election on the option set out in (a)(2)(A), (a)(3)(A), or (b)(2)(A) of this section must include a summary explanation of the authority to sell alcoholic beverages given to a restaurant or eating place under AS 04.09.210(a) [AS 04.11.100(a)]. The ballot for an election on the option set out in (a)(2)(B) or (D), (a)(3)(B), or (b)(2)(B) or (D) of this section must include a statement that a beverage dispensary license is commonly known as a "bar" and a summary explanation of the authority to sell alcoholic beverages given to a beverage dispensary licensee under AS 04.09.200 [AS 04.11.090(a)]. The ballot for an election on the option set out in (a)(2)(C), (a)(3)(C), or (b)(2)(C) of this section must include a statement that a package store license is commonly known as a "liquor store" and a summary explanation of the authority to sell alcoholic beverages given to a package store licensee under AS 04.09.230 [AS 04.11.150(a)].

\* **Sec. 61.** AS 04.11.491(g) is amended to read:

(g) If a municipality or established village has adopted a local option under (a)(1), (2), (3), or (4), or (b)(1), (2), or (3) of this section, the municipality or established village, as part of the local option question or questions placed before the voters, may

(1) adopt an amount of alcoholic beverages that may be imported that is less than the amounts set out in AS 04.09.460(e) [AS 04.11.150(g)];

(2) adopt an amount of alcoholic beverages that would give rise to a presumption that the person possessed the alcoholic beverages for sale; the amounts adopted under this paragraph may be lower than those set out in AS 04.11.010(c);

(3) opt to not apply a class C felony to violations of AS 04.16.051 that apply solely by reason of the municipality or established village adopting a local option under this section.

\* **Sec. 62.** AS 04.11.520 is amended to read:

**Sec. 04.11.520. Notice to local governing body.** After receipt of an application for the issuance or renewal of a license, the renewal of a license with one or more endorsements, the transfer of a license or a license with one or more

1 endorsements to another person, transfer of a license to a new location, or the  
2 issuance of an endorsement from within [(1)] an established village, [(2)] an  
3 incorporated city, [(3)] an organized borough, or [(4)] a unified municipality, the  
4 board shall **notify** [TRANSMIT WRITTEN NOTICE TO] the local governing body **in**  
5 **writing** within 10 **business** days so that the local governing body may protest under  
6 AS 04.11.480.

7 \* **Sec. 63.** AS 04.11.535(a) is amended to read:

8 (a) If, in a proceeding to suspend or revoke a license, **endorsement, or permit**  
9 under AS 04.11.370(a)(5), the board finds that a sentencing report, **record of**  
10 **conviction, or judgment** sent to the board under AS 12.55.025(b) or a report prepared  
11 by the investigating or arresting officers in connection with the violation, contains  
12 information that if uncontradicted or unexplained would provide a ground for  
13 suspension or revocation under AS 04.11.370(a)(5), the licensee **or permittee** has the  
14 burden of proof to establish that the licensee **or permittee** neither knowingly allowed  
15 the violation nor recklessly or with criminal negligence failed to act in accordance  
16 with the duty prescribed under AS 04.21.030.

17 \* **Sec. 64.** AS 04.11.537 is amended to read:

18 **Sec. 04.11.537. Application of precedent.** In determining whether issuance,  
19 renewal, transfer, relocation, suspension, or revocation of a license **or the issuance,**  
20 **renewal, transfer to another person, suspension, or revocation of an endorsement**  
21 is in the best interests of the public, the board need not conform to or distinguish its  
22 decision from any action it has taken in the past on applications presenting similar  
23 facts, but may instead base its decision only on the particular facts before it.

24 \* **Sec. 65.** AS 04.11.540 is amended to read:

25 **Sec. 04.11.540. License, endorsement, and conditional contractor's permit**  
26 **renewal and expiration.** Notwithstanding AS 04.11.680, an application for renewal  
27 of a license, **endorsement, or a conditional contractor's permit under**  
28 **AS 04.09.690** issued for the two calendar years ending December 31 or of a seasonal  
29 license issued for parts of those calendar years may be submitted up until the next  
30 February 28. If a complete application for renewal has not been filed by February 28  
31 or the required fees and the penalty fees have not been paid by that date, the license,

1 endorsement, or conditional contractor's permit expires at 12:00 midnight  
 2 February 28. A new license may not be issued to the holder of an expired license for  
 3 the same premises except on proof satisfactory to the board of good cause for the  
 4 failure to file and pay.

5 \* **Sec. 66.** AS 04.11.560(b) is amended to read:

6 (b) A decision by the board relating to the issuance, renewal, transfer,  
 7 relocation, suspension, or revocation of a license or an endorsement under this title  
 8 may be appealed to the superior court under AS 44.62.560.

9 \* **Sec. 67.** AS 04.11.570 is amended to read:

10 **Sec. 04.11.570. Refund and forfeiture of fees.** (a) If an application for a  
 11 license or endorsement is denied, the board shall refund the license fee but not  
 12 [LESS] the application fee.

13 (b) A license or endorsement fee may not be refunded after the license or  
 14 endorsement has been issued unless the board determines it has erred in the issuance  
 15 through no fault of the applicant.

16 (c) If a license, endorsement, or permit is revoked on grounds that  
 17 statements made in the application are untrue, the [LICENSE] fee paid by the  
 18 applicant is forfeited to the state.

19 \* **Sec. 68.** AS 04.11.580(b) is amended to read:

20 (b) The licensee shall surrender a current license to the board not later than  
 21 [WITHIN] 10 days after the loss or vacation of the licensed premises.

22 \* **Sec. 69.** AS 04.11.590(a) is amended to read:

23 (a) Money collected from licenses, endorsements, permits, and civil  
 24 penalties [FINES] under this title shall be transferred by the board to the Department  
 25 of Commerce, Community, and Economic Development and deposited in the general  
 26 fund.

27 \* **Sec. 70.** AS 04.11.610 is amended to read:

28 **Sec. 04.11.610. Allocation [REFUND] to municipalities.** (a) An amount  
 29 equal to the sum of the biennial [BIENNIAL] license fees, excluding annual  
 30 wholesale fees and biennial wholesale license fees, collected within a municipality  
 31 shall be allocated [REFUNDED] semi-annually to the municipality.

1 (b) If the officers of a municipality fail to actively enforce local ordinances,  
2 **this title**, laws of the United States and the state, and the regulations relating to the  
3 manufacture and sale of alcoholic beverages in the state, **or fail to provide the**  
4 **director with a report of contacts with licensed establishments, educational**  
5 **activities concerning this title and local ordinances, and violations of this title**  
6 **occurring in the municipality, at the time and in the format as may be required**  
7 **by regulation adopted by the board**, the commissioner of commerce, community,  
8 and economic development may deny the **allocation** [REFUND] provided for under  
9 (a) of this section until the board finds the enforcement of the ordinances, laws, and  
10 regulations is resumed **or the report is provided**.

11 (c) The Department of Commerce, Community, and Economic Development  
12 shall recover any **funds** [AMOUNTS] erroneously **allocated** [REFUNDED] under (a)  
13 of this section. The Department of Commerce, Community, and Economic  
14 Development shall schedule repayments of erroneously **allocated funds**  
15 [REFUNDED AMOUNTS] over a sufficient period of time to minimize financial  
16 hardship to the municipality involved.

17 \* **Sec. 71.** AS 04.11.630(b) is amended to read:

18 (b) A license, **endorsement, or permit** issued under this title shall be posted  
19 within the licensed premises **or designated premises** so as to be easily available for  
20 inspection upon request by a peace officer or other person during regular business  
21 hours **or during the time period specified on the permit**.

22 \* **Sec. 72.** AS 04.11.670 is amended to read:

23 **Sec. 04.11.670. Foreclosure.** A license issued under this title is not subject to  
24 foreclosure [,] and may not be used as collateral to secure a debt. However, **a license**  
25 **issued under this title is subject to foreclosure and may be used as collateral to**  
26 **secure a debt if the**

27 **(1)** [A] license is transferred to another person; **and**

28 **(2)** [, THE] transferor **secures** [MAY SECURE] payment for real and  
29 personal property conveyed to the transferee upon the promise of the transferee to  
30 transfer the license back to the transferor upon default in payment; **in this paragraph,**  
31 **"real and personal property" includes the license that is transferred.**

1 \* **Sec. 73.** AS 04.11.680 is amended to read:

2 **Sec. 04.11.680. Duration of licenses, endorsements, and permits.** (a) Upon  
3 application [AND PAYMENT OF ONE-HALF OF THE BIENNIAL FEE], the board  
4 may issue a seasonal license under this title that is effective for the intervals stated on  
5 the license. [A SEASONAL LICENSE MAY NOT BE EFFECTIVE FOR MORE  
6 THAN 12 MONTHS IN A TWO-YEAR PERIOD.] Otherwise, **a license or**  
7 **endorsement** [ALL LICENSES] issued under this title **and a conditional**  
8 **contractor's permit issued under AS 04.09.690 is** [OTHER THAN A RETAIL  
9 STOCK SALE LICENSE ARE] effective for the two calendar years ending  
10 December 31, unless a shorter period is prescribed by the board or by law.

11 (b) A permit issued under this title shall be for **a specific time** [THE] period  
12 [PRESCRIBED BY THE BOARD]. The period shall be clearly designated on the  
13 permit.

14 \* **Sec. 74.** AS 04.16.010(c) is amended to read:

15 (c) A licensee, an agent, or employee may not permit a person to enter and a  
16 person may not enter premises licensed under this title between the hours of 5:00 a.m.  
17 and 8:00 a.m. each day, **unless the person is**

18 **(1) on the premises to conduct business with the licensee, agent, or**  
19 **employee, and the licensee, agent, or employee is in compliance with (a) and (b)**  
20 **of this section;**

21 **(2) a common carrier with a common carrier dispensary license**  
22 **under AS 04.09.260;**

23 **(3) [. THIS SUBSECTION DOES NOT APPLY TO COMMON**  
24 **CARRIERS OR TO]** an employee of the licensee who is on the premises to prepare  
25 for the next day's business;

26 **(4) performing maintenance or improvements authorized by the**  
27 **licensee;**

28 **(5) [. A PERSON MAY ENTER OR REMAIN]** on the premises [OF  
29 A BONA FIDE RESTAURANT OR EATING PLACE LICENSED UNDER THIS  
30 TITLE] to consume food or nonalcoholic beverages **and the premises are covered**  
31 **under a restaurant endorsement issued under AS 04.09.450.**

1 \* **Sec. 75.** AS 04.16.010 is amended by adding a new subsection to read:

2 (e) A person who violates (a), (b), or (c) of this section is guilty of a violation.

3 \* **Sec. 76.** AS 04.16.015(a) is amended to read:

4 (a) On premises where alcoholic beverages are sold by the drink, a licensee or  
5 a licensee's agent or employee may not

6 (1) offer or deliver, as a marketing device to the general public, free  
7 alcoholic beverages to a patron, except as provided for the holder of a  
8 manufacturer sampling endorsement under AS 04.09.410 or a package store  
9 sampling endorsement under AS 04.09.490;

10 (2) deliver an alcoholic beverage to a person already possessing two or  
11 more;

12 (3) sell, offer to sell, or deliver alcoholic beverages to a person or  
13 group of persons at a price less than the price regularly charged for the beverages  
14 during a consecutive seven-day period [THE SAME CALENDAR WEEK], except at  
15 private functions not open to the general public;

16 (4) sell, offer to sell, or deliver an unlimited number of alcoholic  
17 beverages to a person or group of persons during a set period of time for a fixed price;

18 (5) sell, offer to sell, or deliver alcoholic beverages to a person or  
19 group of persons on any one day at prices less than those charged the general public  
20 on that day, except at private functions not open to the general public;

21 (6) encourage or permit an organized game or contest on the licensed  
22 premises that involves drinking alcoholic beverages or the awarding of alcoholic  
23 beverages as prizes.

24 \* **Sec. 77.** AS 04.16.015 is amended by adding a new subsection to read:

25 (e) A person who violates this section is guilty of a violation.

26 \* **Sec. 78.** AS 04.16 is amended by adding a new section to read:

27 **Sec. 04.16.017. Trade practices.** (a) A person holding a license under  
28 AS 04.09.020, 04.09.030, 04.09.040, 04.09.100, or 04.09.110 or engaged in the  
29 alcoholic beverage industry in another state or country as a brewer, vintner, distiller,  
30 or importer, or as an agent of a brewer, vintner, distiller, or importer, may not, except  
31 as provided in regulations adopted by the board under (b) of this section, induce a

1 person holding a license under this title to

2 (1) operate as a tied house by inducing a retailer engaged in the sale of  
3 alcoholic beverages to purchase products from an entity to the exclusion, in whole or  
4 in part, of products sold or offered for sale by other entities by

5 (A) furnishing, giving, renting, lending, or selling to the retailer  
6 equipment fixtures, signs, supplies, money, services, or other things of value,  
7 except those excluded in regulation and determined to be not contrary to the  
8 public interest or contrary to the intent of this subsection;

9 (B) paying or crediting the retailer for an advertising, display,  
10 or distribution service;

11 (C) guaranteeing a loan or the repayment of a financial  
12 obligation of the retailer;

13 (D) extending to the retailer credit for a period in excess of the  
14 credit period usual and customary to the industry for the particular class of  
15 transactions; or

16 (E) requiring the retailer to take and dispose of a certain quota  
17 of the products;

18 (2) operate as an exclusive outlet by requiring that a retailer engaged in  
19 the sale of alcoholic beverages purchase products from an entity to the exclusion, in  
20 whole or in part, of alcoholic beverages sold or offered for sale by other entities;

21 (3) purchase products from an entity to the exclusion, in whole or in  
22 part, of products sold or offered for sale by other entities by

23 (A) commercial bribery; or

24 (B) offering or giving any bonus, premium, or compensation to  
25 an officer, employee, or representative of the licensee;

26 (4) enter into an agreement for consignment sales, or to purchase, offer  
27 to purchase, or contract to purchase products on consignment, under conditional sale,  
28 or with the privilege of return on any basis other than a bona fide sale, or where part of  
29 the transaction involves, directly or indirectly, the acquisition by an entity from the  
30 licensee or the entity's agreement to acquire from the licensee other alcoholic  
31 beverages, except that this paragraph does not apply to transactions involving solely

1 the return of merchandise for ordinary and usual commercial reasons arising after the  
2 merchandise has been sold.

3 (b) The board shall adopt regulations providing exceptions to the practices  
4 listed under (a) of this section that are

5 (1) consistent with federal law at the time of the effective date of this  
6 section;

7 (2) necessary to avoid practical difficulty or undue hardship on a  
8 licensee;

9 (3) in the best interests of the public; and

10 (4) consistent with the requirements of this title.

11 (c) The board shall adopt regulations establishing administrative penalties for  
12 a violation of this section.

13 (d) In this section, "commercial bribery," "consignment sales," "exclusive  
14 outlet," and "tied house" have the meanings given in 27 U.S.C. 205 and regulations  
15 adopted under that section.

16 \* **Sec. 79.** AS 04.16.020 is amended by adding new subsections to read:

17 (d) A person who violates a provision of this section commits the offense of  
18 unauthorized solicitation or purchase of alcoholic beverages.

19 (e) Unauthorized solicitation or purchase of alcoholic beverages is a violation  
20 and is punishable by a fine of \$100.

21 \* **Sec. 80.** AS 04.16 is amended by adding a new section to read:

22 **Sec. 04.16.022. Online sale and purchase of alcoholic beverages.** (a) A  
23 licensee or a licensee's agent or employee may not sell or offer to sell alcoholic  
24 beverages to the public online unless the licensee holds a winery direct shipment  
25 license issued under AS 04.09.360 or a package store shipping endorsement under  
26 AS 04.09.460.

27 (b) A person may not purchase alcoholic beverages online except from the  
28 holder of a winery direct shipment license issued under AS 04.09.360 or a package  
29 store shipping endorsement under AS 04.09.460.

30 (c) A person who violates (a) of this section is, upon conviction, guilty of a  
31 class A misdemeanor.

1 (d) A person who violates (b) of this section is guilty of a violation.

2 \* **Sec. 81.** AS 04.16.025(a) is amended to read:

3 (a) A person may not knowingly enter or remain on premises

4 (1) in which alcoholic beverages are manufactured, sold, offered for  
5 sale, possessed for sale or barter, trafficked in, or bartered in violation of

6 (A) AS 04.09.060, 04.09.070, 04.09.145, 04.09.370, 04.09.380,

7 or AS 04.11.010; or

8 (B) a municipal ordinance adopted under AS 04.21.010(a) or

9 (b); or

10 (2) licensed under this title during hours in which the person's presence  
11 on the premises is a violation of a municipal ordinance adopted under authority of  
12 AS 04.16.010(d) providing for hours of closure that are outside the hours of closure  
13 prescribed by AS 04.16.010(c).

14 \* **Sec. 82.** AS 04.16.030 is amended by adding new subsections to read:

15 (c) A person who violates this section commits the offense of prohibited  
16 conduct relating to a drunken person.

17 (d) Prohibited conduct relating to a drunken person is a violation, punishable  
18 by a fine of \$500.

19 (e) The holder of a license is strictly and vicariously liable for an offense  
20 committed under (c) of this section by an employee or agent of the licensee on the  
21 licensed premises, punishable by an administrative penalty of \$250. Notwithstanding  
22 AS 04.11.370(a)(4) and (5) and AS 04.16.180(b)(1), the board may not order  
23 suspension of the license for the first violation committed on the licensed premises  
24 under this section.

25 (f) A licensee who knowingly allows an agent or employee of the licensee to  
26 commit the offense of prohibited conduct relating to a drunken person under (c) of this  
27 section commits the offense of failure to ensure compliance relating to a drunken  
28 person.

29 (g) Failure to ensure compliance relating to a drunken person is a class A  
30 misdemeanor.

31 \* **Sec. 83.** AS 04.16.035 is amended to read:

1           **Sec. 04.16.035. Possession of ingredients for homebrew in certain areas.** A  
2 person residing in an area that has adopted a local option under AS 04.11.491 [TO  
3 PROHIBIT THE SALE, IMPORTATION, AND POSSESSION OF ALCOHOLIC  
4 BEVERAGES UNDER AS 04.11.491(a)(5) OR (b)(4)] may not possess sugar,  
5 artificial sugar, malt, yeast, or any other material or equipment with the intent to use  
6 the material or equipment to create an alcoholic beverage.

7 \* **Sec. 84.** AS 04.16.035 is amended by adding new subsections to read:

8           (b) A person who knowingly violates this section commits the crime of  
9 possession of ingredients for homebrew.

10           (c) Possession of ingredients for homebrew is a class A misdemeanor.

11 \* **Sec. 85.** AS 04.16.040 is amended to read:

12           **Sec. 04.16.040. Access of drunken persons to licensed premises.** A drunken  
13 person may not knowingly enter or remain on licensed premises [LICENSED  
14 UNDER THIS TITLE].

15 \* **Sec. 86.** AS 04.16.040 is amended by adding new subsections to read:

16           (b) A person who violates this section commits the offense of prohibited  
17 access by a drunken person.

18           (c) Prohibited access by a drunken person is a violation.

19 \* **Sec. 87.** AS 04.16.045 is amended by adding new subsections to read:

20           (b) A person who violates this section commits the offense of permitting  
21 consumption not authorized under a license.

22           (c) Permitting consumption not authorized under a license is a violation.

23 \* **Sec. 88.** AS 04.16.047 is amended by adding new subsections to read:

24           (d) A person who is restricted from purchasing alcohol under AS 04.16.160  
25 who knowingly violates (a) of this section commits the offense of entering or  
26 remaining on licensed premises.

27           (e) Entering or remaining on licensed premises is a class A misdemeanor.

28 \* **Sec. 89.** AS 04.16.049(a) is amended to read:

29           (a) A person under 21 years of age may not knowingly enter or remain in  
30 premises licensed under this title unless

31                   (1) accompanied by a parent, guardian, or spouse who has attained 21

1 years of age;

2 (2) the person is **allowed to enter and remain on** [AT LEAST 16  
3 YEARS OF AGE,] the premises **under a restaurant endorsement issued under**  
4 **AS 04.09.450** [ARE DESIGNATED BY THE BOARD AS A RESTAURANT FOR  
5 THE PURPOSES OF THIS SECTION, AND THE PERSON ENTERS AND  
6 REMAINS ONLY FOR DINING];

7 (3) THE PERSON IS UNDER 16 YEARS OF AGE, IS  
8 ACCOMPANIED BY A PERSON OVER 21 YEARS OF AGE, THE PARENT OR  
9 GUARDIAN OF THE UNDERAGED PERSON CONSENTS, THE PREMISES ARE  
10 DESIGNATED BY THE BOARD AS A RESTAURANT FOR THE PURPOSES OF  
11 THIS SECTION, AND THE PERSON ENTERS AND REMAINS ONLY FOR  
12 DINING];

13 (3) [(4)] the person is permitted on the premises under a club license  
14 issued under **AS 04.09.220(g) or former** AS 04.11.110(g); or

15 (4) [(5)] otherwise provided under (c), (d), or (g) of this section.

16 \* **Sec. 90.** AS 04.16.049(c) is amended to read:

17 (c) Notwithstanding any other provision in this section, a person 16 or 17  
18 years of age may enter and remain within the licensed premises of a hotel **or motel,**  
19 **large resort,** golf course, **general wholesaler, limited brewed beverage and wine**  
20 **wholesaler, common carrier dispensary, outdoor recreation lodge,** or restaurant  
21 [OR EATING PLACE] in the course of employment if

22 (1) the employment does not involve the serving, mixing, delivering,  
23 or dispensing of alcoholic beverages;

24 (2) the person has the written consent of a parent or guardian; and

25 (3) an exemption from the prohibition of AS 23.10.355 is granted by  
26 the Department of Labor and Workforce Development. [THE BOARD, WITH THE  
27 APPROVAL OF THE GOVERNING BODY HAVING JURISDICTION AND AT  
28 THE LICENSEE'S REQUEST, SHALL DESIGNATE WHICH PREMISES ARE  
29 HOTELS, GOLF COURSES, RESTAURANTS, OR EATING PLACES FOR THE  
30 PURPOSES OF THIS SUBSECTION.]

31 \* **Sec. 91.** AS 04.16.049(d) is amended to read:

1 (d) Notwithstanding any other provision in this section, a person 18, 19, or 20  
2 years of age may be employed within the licensed premises of a hotel or motel, large  
3 resort, golf course, general wholesaler, limited brewed beverage and wine  
4 wholesaler, common carrier dispensary, outdoor recreation lodge, or restaurant  
5 [OR EATING PLACE], may enter and remain within those premises for the purpose  
6 of employment, but may not, in the course of employment, sell, serve, deliver, or  
7 dispense alcoholic beverages.

8 \* **Sec. 92.** AS 04.16.049 is amended by adding a new subsection to read:

9 (j) Notwithstanding any other provision in this section, a person under 21  
10 years of age may be present on the licensed premises of a common carrier dispensary,  
11 destination resort, or outdoor recreation lodge for the purpose of travel, travel lodging,  
12 or outdoor recreation activities provided by the licensee if the person is

13 (1) at least 16 years of age; or

14 (2) under 16 years of age and a parent or legal guardian of the  
15 underaged person consents.

16 \* **Sec. 93.** AS 04.16.051(d) is repealed and reenacted to read:

17 (d) A person who, with criminal negligence, furnishes or delivers an alcoholic  
18 beverage to a person under 21 years of age in violation of (a) of this section commits  
19 the crime of furnishing or delivering to a minor.

20 \* **Sec. 94.** AS 04.16.051 is amended by adding a new subsection to read:

21 (e) Furnishing or delivering to a minor is

22 (1) a class A misdemeanor, except as provided in (2) of this  
23 subsection;

24 (2) a class C felony if

25 (A) within the five years preceding the violation, the person has  
26 been previously convicted under

27 (i) this section; or

28 (ii) a law or ordinance of this or another jurisdiction  
29 with elements substantially similar to this section;

30 (B) the person who receives the alcoholic beverage negligently  
31 causes serious physical injury to or the death of another person while under the

1 influence of the alcoholic beverage received in violation of this section; in this  
2 subparagraph,

3 (i) "negligently" means acting with civil negligence; and

4 (ii) "serious physical injury" has the meaning given in

5 AS 11.81.900; or

6 (C) the violation occurs within the boundaries of a municipality  
7 or the perimeter of an established village that has adopted a local option under  
8 AS 04.11.491 and has not opted out of applying a class C felony to violations  
9 of this section under AS 04.11.491(g).

10 \* **Sec. 95.** AS 04.16.052 is amended by adding new subsections to read:

11 (b) The holder of a license is strictly liable for an offense committed under (a)  
12 of this section by an employee or agent of the licensee on the licensed premises,  
13 punishable by an administrative penalty of \$250. Notwithstanding AS 04.11.370(a)(4)  
14 and (5) and AS 04.16.180(b)(1), the board may not order suspension of the license for  
15 the first violation committed on the licensed premises under this section.

16 (c) A person who violates (a) of this section commits the offense of licensee,  
17 employee, or agent furnishing alcohol to a minor.

18 (d) Licensee, employee, or agent furnishing alcohol to a minor is a violation  
19 and is punishable by a fine of \$500.

20 (e) A licensee who knowingly allows an agent or employee of the licensee to  
21 commit the offense of licensee, employee, or agent furnishing alcohol to a minor  
22 under (c) of this section commits the offense of failure to ensure compliance relating  
23 to furnishing alcohol to a minor.

24 (f) Failure to ensure compliance relating to furnishing alcohol to a minor is a  
25 class A misdemeanor.

26 \* **Sec. 96.** AS 04.16.055 is amended by adding new subsections to read:

27 (b) A person who knowingly rents a room in a hotel, motel, resort, or similar  
28 business for the purpose of providing alcoholic beverages to a person under 21 years  
29 of age commits the crime of renting a room for the purpose of providing alcoholic  
30 beverages to a person under 21 years of age.

31 (c) Renting a room for the purpose of providing alcoholic beverages to a

1 person under 21 years of age is a class A misdemeanor.

2 \* **Sec. 97.** AS 04.16.057(b) is amended to read:

3 (b) A person who violates this section is guilty of a violation and is  
4 punishable by a fine of \$500 [SHALL BE PUNISHED AS PROVIDED IN  
5 AS 12.55].

6 \* **Sec. 98.** AS 04.16.060(e) is amended to read:

7 (e) A person under the age of 21 who is seeking to enter and remain in a  
8 licensed premises under AS 04.16.049(a)(2) [OR (3)] may not misrepresent the  
9 person's age or having obtained the consent of the parent or guardian required by that  
10 section.

11 \* **Sec. 99.** AS 04.16.060 is amended by adding new subsections to read:

12 (g) A person who violates (a) of this section commits the offense of purchase  
13 by a person under 21 years of age.

14 (h) A person who violates (b) or (c) of this section commits the offense of  
15 delivery to a person under 21 years of age.

16 (i) Purchase by a person under 21 years of age is a violation and is punishable  
17 by a fine of \$500.

18 (j) Delivery to a person under 21 years of age is a violation and is punishable  
19 by a fine of \$500.

20 (k) For a person under 21 years of age who commits an offense under (g) of  
21 this section, the violation must be charged and filed with the court as a separate case  
22 and may not be combined or joined with any other minor offense or criminal charge in  
23 one action at the time of filing. A court may reduce the fine to \$50 for a person who  
24 has not more than one previous violation or to \$250 for a person who has two or more  
25 previous violations if the person provides the court, not later than six months after a  
26 judgment of conviction is entered, with proof of completion of

27 (1) an alcohol safety action program or a juvenile alcohol safety action  
28 program developed, designated, or approved by the Department of Health and Social  
29 Services under AS 47.37; or

30 (2) a community diversion panel.

31 \* **Sec. 100.** AS 04.16.080 is amended to read:

1           **Sec. 04.16.080. Consumption [SALES OR CONSUMPTION] at school**  
2           **events. A person who is 21 years of age or older may not [SELL OR] consume**  
3           **alcoholic beverages during a school event at the site of the event if the event is**  
4           **expected to attract attendees under 21 years of age.**

5           \* **Sec. 101.** AS 04.16.080 is amended by adding new subsections to read:

6                   (b) A person who is 21 years of age or older who consumes an alcoholic  
7                   beverage during a school event at the site of the event under (a) of this section  
8                   commits the offense of consuming at a school event.

9                   (c) Consuming at a school event is a violation and is punishable by a fine of  
10                   \$100.

11           \* **Sec. 102.** AS 04.16.090(c) is amended to read:

12                   (c) **In** [FOR THE PURPOSES OF] this section, "consideration" includes  
13                   [BUT IS NOT LIMITED TO] cover charge, the sale of food, ice, mixers, or other  
14                   liquids used with alcoholic beverage drinks, [OR] the furnishing of glassware or other  
15                   containers for use in the consumption of alcoholic beverages, **other charges for**  
16                   **access to the licensed premises, or other services or products provided on the**  
17                   **licensed premises.**

18           \* **Sec. 103.** AS 04.16.090 is amended by adding new subsections to read:

19                   (d) A person who knowingly violates this section commits the crime of  
20                   maintaining a bottle club.

21                   (e) Maintaining a bottle club is a class A misdemeanor.

22           \* **Sec. 104.** AS 04.16.110 is amended by adding new subsections to read:

23                   (b) A person who knowingly sells an alcoholic beverage in violation of (a) of  
24                   this section commits the crime of sale of a prohibited alcoholic beverage.

25                   (c) Sale of a prohibited alcoholic beverage is a class A misdemeanor.

26           \* **Sec. 105.** AS 04.16.120 is amended by adding new subsections to read:

27                   (d) A person who removes an alcoholic beverage from licensed premises in  
28                   violation of (a) of this section and a person who brings an alcoholic beverage onto  
29                   licensed premises in violation of (b) of this section commits the offense of removal or  
30                   introduction of alcoholic beverages.

31                   (e) Notwithstanding (a) of this section, the holder of a beverage dispensary

1 license under AS 04.09.200, the holder of a beverage dispensary tourism license under  
2 AS 04.09.340, or the holder's employee may transport alcoholic beverages across  
3 unlicensed portions of a hotel, motel, or large resort if the

4 (1) licensee holds an endorsement under AS 04.09.430 or 04.09.440;

5 and

6 (2) licensee or employee is walking directly from one licensed area of  
7 the premises to another licensed area.

8 (f) Removal or introduction of alcoholic beverages is a violation and is  
9 punishable by a fine of \$100.

10 \* **Sec. 106.** AS 04.16.125(a) is amended to read:

11 (a) A person may [NOT] use a common carrier approved by the board  
12 under AS 04.09.750(b) to transport alcoholic beverages into an area that has restricted  
13 the sale of alcoholic beverages under AS 04.11.491(a)(1), (2), or (3) or (b)(1) or (2) if  
14 [UNLESS]

15 (1) the shipping container holding the alcoholic beverages is clearly  
16 labeled as containing alcoholic beverages [WITH LETTERS THAT CONTRAST IN  
17 COLOR TO THE SHIPPING CONTAINER AND THAT ARE AT LEAST TWO  
18 INCHES IN HEIGHT]; and

19 (2) an itemized invoice showing the quantity and purchase value of  
20 distilled spirits, [OF] wine, and brewed [OF MALT] beverages is attached to the  
21 outside of the shipping container.

22 \* **Sec. 107.** AS 04.16.125(b) is amended to read:

23 (b) This section does not apply to

24 (1) a person transporting [NOT MORE THAN]

25 (A) two liters or less of wine;

26 (B) one gallon or less of brewed [MALT] beverages; or

27 (C) one liter or less of distilled spirits; or

28 (2) the transportation of alcoholic beverages for use on premises  
29 allowed under AS 04.11.491(a)(2) - (3) or (b)(2) or for use under a permit allowed  
30 under AS 04.11.491(a)(2).

31 \* **Sec. 108.** AS 04.16.125 is amended by adding new subsections to read:

1 (d) A person who knowingly violates this section commits the crime of  
2 unauthorized transportation of alcoholic beverages by common carrier into a local  
3 option area.

4 (e) Unauthorized transportation of alcoholic beverages by common carrier into  
5 a local option area is a class A misdemeanor.

6 \* **Sec. 109.** AS 04.16.130 is amended by adding new subsections to read:

7 (c) A person who violates this section commits the offense of unauthorized  
8 storage of alcoholic beverages.

9 (d) Unauthorized storage of alcoholic beverages is a violation.

10 \* **Sec. 110.** AS 04.16.140 is amended by adding new subsections to read:

11 (b) A person who knowingly violates (a) of this section commits the offense  
12 of sale or consumption of an alcoholic beverage in a warehouse.

13 (c) Sale or consumption of an alcoholic beverage in a warehouse is a violation.

14 \* **Sec. 111.** AS 04.16.150 is amended by adding new subsections to read:

15 (b) Except as provided under AS 04.16.030(f) and 04.16.052(e), a licensee  
16 who knowingly violates (a) of this section commits the offense of failure to ensure  
17 compliance.

18 (c) Failure to ensure compliance is a violation.

19 \* **Sec. 112.** AS 04.16.160 is amended by adding new subsections to read:

20 (c) A person who knowingly fails to comply with a restriction on purchasing  
21 alcoholic beverages in violation of (a) of this section commits the crime of failure to  
22 comply with a restriction on purchasing alcoholic beverages.

23 (d) Failure to comply with a restriction on purchasing alcoholic beverages is a  
24 class A misdemeanor.

25 \* **Sec. 113.** AS 04.16.170(b) is amended to read:

26 (b) A person transporting alcoholic beverages into the state may not sell those  
27 alcoholic beverages to a person not licensed under this title, unless the alcoholic  
28 beverages are used for religious, industrial, pharmaceutical, or medical purposes, or as  
29 allowed under AS 04.09.360.

30 \* **Sec. 114.** AS 04.16.170 is amended by adding new subsections to read:

31 (c) A licensee who knowingly violates (a) or (b) of this section commits the

1 crime of sale of alcoholic beverages from or to an unlicensed person.

2 (d) Sale of alcoholic beverages from or to an unlicensed person is a class A  
3 misdemeanor.

4 \* **Sec. 115.** AS 04.16.172 is amended to read:

5 **Sec. 04.16.172. Restrictions on purchase and sale of alcoholic beverages.** A  
6 person licensed under AS 04.09.200, 04.09.210, 04.09.220, 04.09.230, 04.09.270,  
7 04.09.280, 04.09.290, 04.09.300, 04.09.310, 04.09.320, 04.09.330, 04.09.340, or  
8 04.09.350 [AS 04.11.090, 04.11.100, 04.11.110, OR 04.11.150] may not purchase,  
9 sell, or offer for sale an alcoholic beverage unless the alcoholic beverage being  
10 purchased, sold, or offered for sale was obtained from a person licensed under

11 (1) AS 04.09.100 or 04.09.110 [AS 04.11.160] as a primary source of  
12 supply for the alcoholic beverage being purchased, sold, or offered for sale;

13 (2) AS 04.09.230 [AS 04.11.150] and the alcoholic beverage being  
14 purchased, sold, or offered for sale was obtained from a person licensed under  
15 AS 04.09.100 or 04.09.110 [AS 04.11.160] as a primary source of supply; or

16 (3) AS 04.09.020, 04.09.030, or 04.09.040 [AS 04.11.130, 04.11.140,  
17 OR 04.11.170].

18 \* **Sec. 116.** AS 04.16.172 is amended by adding new subsections to read:

19 (b) A licensee who knowingly violates (a) of this section commits the crime of  
20 licensee obtaining alcoholic beverages from an unlicensed seller.

21 (c) Licensee obtaining alcoholic beverages from an unlicensed seller is a class  
22 A misdemeanor.

23 \* **Sec. 117.** AS 04.16.175 is amended by adding new subsections to read:

24 (c) A person who knowingly furnishes an alcoholic beverage to a player in  
25 violation of (a) of this section commits the crime of furnishing an alcoholic beverage  
26 in aid of a gambling enterprise.

27 (d) Furnishing an alcoholic beverage in aid of a gambling enterprise is a class  
28 A misdemeanor.

29 \* **Sec. 118.** AS 04.16.180(b) is amended to read:

30 (b) A suspension or revocation of a license ordered by the board under  
31 AS 04.11.370(a)(4) and (5) shall be as follows:

1 (1) on first conviction, the license of the premises involved may not be  
2 revoked, but, **except as provided in AS 04.16.030 and 04.16.052**, may be suspended  
3 for not more than 45 days;

4 (2) on second conviction, the license of the premises involved may not  
5 be revoked, but may be suspended for not more than 90 days;

6 (3) on third conviction, the license of the premises involved may be  
7 suspended or revoked.

8 \* **Sec. 119.** AS 04.16.180(e) is amended to read:

9 (e) In this section,

10 **(1) "conviction" includes a conviction of a violation, a**  
11 **misdemeanor, and a felony;**

12 **(2)** [THE TERMS] "second conviction" and "third conviction" include  
13 only convictions for violations that occur within five years **after** [OF] the first  
14 conviction; **the** [. THE] terms refer to the cumulative number of convictions of a  
15 licensee of any combination of violations of the provisions of this title, regulations  
16 adopted under this title, or ordinances adopted under AS 04.21.010; [. THE TERMS]  
17 "second conviction" and "third conviction" include a conviction of the agent or  
18 employee of a licensee of a violation of a law, regulation, or ordinance if the  
19 conviction constitutes a ground for suspension or revocation under  
20 AS 04.11.370(a)(5).

21 \* **Sec. 120.** AS 04.16.180 is amended by adding new subsections to read:

22 (f) In addition to the criminal penalties specified in this title and AS 12.55, a  
23 holder of a license under this title who is convicted of a crime or offense involving the  
24 violation of a provision of this title or a regulation adopted under this title is subject to  
25 suspension or revocation of the license under this section and other administrative  
26 penalties imposed by the board. For purposes of administrative penalties under this  
27 subsection, each violation is a separate offense.

28 (g) The holder of a license subject to suspension or revocation under (b)(2) or  
29 (3) of this section may request a hearing to petition the board to reduce the  
30 administrative penalty. The board may reduce the administrative penalty if the  
31 licensee shows, by a preponderance of the evidence, that

1 (1) the licensee complied with the alcohol server education course  
2 requirement of AS 04.21.025 and adopted and enforced a compliance program and a  
3 disciplinary program for agents and employees of the licensee;

4 (2) the licensee has a pattern and practice of exercising the degree of  
5 care required under AS 04.16.030;

6 (3) the licensee posted warning signs as required under AS 04.21.065;  
7 and

8 (4) in the case of a conviction for a violation of AS 04.16.030 or  
9 04.16.052, the agent or employee convicted under AS 04.16.030 or 04.16.052  
10 completed an alcohol server education course under AS 04.21.025.

11 \* **Sec. 121.** AS 04.16.220(a) is amended to read:

12 (a) The following are subject to forfeiture:

13 (1) alcoholic beverages manufactured, sold, offered for sale, possessed  
14 for sale, or bartered or exchanged for goods and services in this state in violation of  
15 AS 04.09.060, 04.09.070, 04.09.145, 04.09.370, 04.09.380, or AS 04.11.010;  
16 alcoholic beverages possessed, stocked, warehoused, or otherwise stored in violation  
17 of AS 04.21.060; alcoholic beverages sold or offered for sale in violation of a local  
18 option adopted under AS 04.11.491; alcoholic beverages transported into the state and  
19 sold to persons not licensed under this title [CHAPTER] in violation of  
20 AS 04.16.170(b); alcoholic beverages transported in violation of AS 04.09.750 or  
21 AS 04.16.125;

22 (2) materials and equipment used in the manufacture, sale, offering for  
23 sale, possession for sale, or barter or exchange of alcoholic beverages for goods and  
24 services in this state in violation of AS 04.09.060, 04.09.070, 04.09.145, 04.09.370,  
25 04.09.380, or AS 04.11.010; materials and equipment used in the stocking,  
26 warehousing, or storage of alcoholic beverages in violation of AS 04.21.060; materials  
27 and equipment used in the sale or offering for sale of an alcoholic beverage in an area  
28 in violation of a local option adopted under AS 04.11.491;

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

31 (A) alcoholic beverages manufactured, sold, offered for sale,

1 possessed for sale, or bartered or exchanged for goods and services in this state  
2 in violation of AS 04.09.060, 04.09.070, 04.09.145, 04.09.370, 04.09.380, or  
3 AS 04.11.010;

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

6 (C) alcoholic beverages imported into a municipality or  
7 established village in violation of AS 04.11.499(a);

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

10 (5) alcoholic beverages, materials, or equipment used in violation of  
11 AS 04.16.175;

12 (6) money, securities, negotiable instruments, or other things of value  
13 used in financial transactions or items of value purchased from the proceeds derived  
14 from activity prohibited under AS 04.09.060, 04.09.070, 04.09.145, 04.09.370,  
15 04.09.380, or AS 04.11.010 or in violation of a local option adopted under  
16 AS 04.11.491;

17 (7) a firearm used in furtherance of a violation of this title.

18 \* **Sec. 122.** AS 04.16.220(d) is amended to read:

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

20 (1) upon conviction of a person for a violation of AS 04.09.060,  
21 04.09.070, 04.09.145, 04.09.370, 04.09.380, AS 04.09.750, AS 04.11.010, 04.11.499,  
22 AS 04.16.125, AS 04.21.060, or AS 04.11.501 or an ordinance adopted under  
23 AS 04.11.501; or

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

26 \* **Sec. 123.** AS 04.16.220(g) is amended to read:

27 (g) It is no defense in an in rem forfeiture proceeding brought under (d)(2) of  
28 this section that a criminal proceeding is pending or has resulted in conviction or  
29 acquittal of a person charged with violating AS 04.09.060, 04.09.070, 04.09.145,  
30 04.09.370, 04.09.380, AS 04.11.010, 04.11.499, or AS 04.21.060.

31 \* **Sec. 124.** AS 04.16.220(i) is amended to read:

1 (i) Upon conviction for a violation of AS 04.09.060, 04.09.070, 04.09.145,  
2 04.09.370, 04.09.380, AS 04.11.010, or 04.11.499(a), if an aircraft, vehicle, or  
3 watercraft is subject to forfeiture under (a) of this section, the court shall, subject to  
4 remission to innocent parties under this section,

5 (1) order the forfeiture of an aircraft to the state;

6 (2) order the forfeiture of a vehicle or watercraft if

7 (A) the defendant has a prior felony conviction for a violation  
8 of AS 11.41 or a similar law in another jurisdiction;

9 (B) the defendant is on felony probation or parole;

10 (C) the defendant has a prior conviction for violating  
11 AS 04.11.010 or 04.11.499(a); or

12 (D) the quantity of alcohol transported in violation of this title  
13 was twice the presumptive amounts in AS 04.11.010(c).

14 \* **Sec. 125.** AS 04.21 is amended by adding a new section to read:

15 **Sec. 04.21.012. Keg registration.** (a) A person may not purchase a keg or  
16 similar container holding four or more gallons of an alcoholic beverage unless the  
17 person provides proof that the person is over 21 years of age and completes and signs  
18 a registration form. The purchaser of a keg or similar container holding four or more  
19 gallons of an alcoholic beverage may not remove or obliterate the temporary  
20 identifying tag on the keg or container.

21 (b) A licensee or an agent or employee of a licensee who sells or offers for  
22 sale a keg or similar container holding four or more gallons of an alcoholic beverage  
23 shall require a purchaser to show acceptable proof of age under AS 04.21.050(b) and  
24 sign the sworn statement on a registration form. The licensee shall complete the  
25 registration form and affix a temporary tag with a unique identifier to the keg or  
26 container before releasing the container to the purchaser. The licensee shall retain a  
27 copy of the form for one year and make the form available for inspection.

28 (c) The board shall prescribe a registration form for use by licensees and  
29 purchasers. The board may approve for use a registration form adopted by a local  
30 governing body. A registration form must include

31 (1) the name of the seller;

1 (2) the name of the purchaser;

2 (3) a description of the proof of age provided by the buyer, including  
3 the identification number, if any;

4 (4) the unique identifier on the temporary tag attached to the keg or  
5 container under (b) of this section.

6 (d) A licensee or an agent or employee of a licensee who sells a keg or similar  
7 container holding four or more gallons of an alcoholic beverage without completing a  
8 registration form or affixing a temporary identification tag to the keg or container  
9 commits the crime of selling alcoholic beverages in an unregistered keg.

10 (e) A person who is not licensed under this title or the employee or agent of a  
11 person who is not licensed under this title who possesses a keg or similar container  
12 holding four or more gallons of an alcoholic beverage without a temporary  
13 identification tag commits the crime of possessing alcoholic beverages in an  
14 unregistered keg.

15 (f) Selling alcoholic beverages in an unregistered keg is a violation.

16 (g) Possessing alcoholic beverages in an unregistered keg is a violation and is  
17 punishable by a fine of \$100.

18 \* **Sec. 126.** AS 04.21.020(a) is amended to read:

19 (a) Except as provided under (b) and (d) of this section, a person who provides  
20 alcoholic beverages to another person may not be held civilly liable for injuries  
21 resulting from the intoxication of that person unless the person who provides the  
22 alcoholic beverages holds a license authorized under AS 04.09.010 - 04.09.380  
23 [AS 04.11.080 - 04.11.220] or is an agent or employee of [SUCH] a licensee and

24 (1) the alcoholic beverages are provided to a person under [THE AGE  
25 OF] 21 years of age in violation of AS 04.16.051, unless the licensee, agent, or  
26 employee secures in good faith from the person a signed statement, liquor  
27 identification card, or driver's license meeting the requirements of AS 04.21.050(a)  
28 and (b), that indicates that the person is 21 years of age or older; or

29 (2) the alcoholic beverages are provided to a drunken person in  
30 violation of AS 04.16.030.

31 \* **Sec. 127.** AS 04.21.020(b) is amended to read:

1 (b) A person who sells or barter an alcoholic beverage to another person in  
2 violation of AS 04.09.060, 04.09.070, 04.09.145, 04.09.370, 04.09.380, or  
3 AS 04.11.010 is strictly liable (1) to the recipient or another person for civil damages  
4 if, while under the influence of the alcoholic beverage, the person receiving the  
5 alcoholic beverage engages in conduct that results in civil damages and the recipient's  
6 being under the influence of the alcoholic beverage substantially contributes to the  
7 civil damages; and (2) for the cost to the state or a political subdivision of the state to  
8 criminally prosecute a person who receives an alcoholic beverage from a person who  
9 violates AS 04.11.010 if the prosecution results from the violation of AS 04.11.010  
10 described in this subsection.

11 \* **Sec. 128.** AS 04.21.025(a) is repealed and reenacted to read:

12 (a) Except as provided under (e) and (f) of this section, as a condition of  
13 issuance or renewal of a license or conditional contractor's permit and selling alcoholic  
14 beverages under a license or conditional contractor's permit, the board shall require a  
15 licensee or permittee who sells or serves alcoholic beverages and a licensee's or  
16 permittee's agents and employees who sell or serve alcoholic beverages or check the  
17 identification of a patron to complete an alcohol server education course approved by  
18 the board.

19 \* **Sec. 129.** AS 04.21.025(b) is amended to read:

20 (b) The subjects that are included in an approved alcohol server education  
21 course shall be determined under regulations adopted by the board. In approving  
22 alcohol server education courses, the board shall consider the needs of both urban and  
23 rural licensees regarding access to an approved alcohol server education course. A  
24 licensee, permittee, agent, or employee who sells or serves alcoholic beverages shall  
25 keep the card described in (c) of this section or other proof acceptable to the board of  
26 successful completion of an approved alcohol server education course on the licensed  
27 premises during working hours.

28 \* **Sec. 130.** AS 04.21.025(c) is amended to read:

29 (c) A licensee, permittee, agent, or employee shall complete the course  
30 required under (a) of this section and pass a written test demonstrating an  
31 understanding of the course subjects not more than 30 days after being licensed,

1 permitted, or employed. The course provider shall issue a card to each individual who  
2 completes the course and passes the written test. A card issued under this subsection is  
3 valid for three years from the date of issue. A licensee, permittee, agent, or employee  
4 may renew a card issued under this section; to renew the card, the licensee, permittee,  
5 agent, or employee must pass a written test demonstrating an understanding of the  
6 course subjects. Notwithstanding the 30-day period for completing the course and  
7 passing the written test under this subsection, a person may not sell or serve  
8 alcoholic beverages or check the identification of a patron at a permitted event  
9 under AS 04.09.600 - 04.09.690 unless the person possesses a valid card issued  
10 before the event.

11 \* **Sec. 131.** AS 04.21.025 is amended by adding new subsections to read:

12 (f) This section does not apply to the following licenses:

13 (1) brewery manufacturer license under AS 04.09.020, unless the  
14 licensee holds a manufacturer sampling endorsement;

15 (2) winery manufacturer license under AS 04.09.030, unless the  
16 licensee holds a manufacturer sampling endorsement;

17 (3) distillery manufacturer license under AS 04.09.040, unless the  
18 licensee holds a manufacturer sampling endorsement;

19 (4) general wholesale license under AS 04.09.100;

20 (5) limited wholesale brewed beverage and wine license under  
21 AS 04.09.110;

22 (6) winery direct shipment license under AS 04.09.360.

23 (g) A person who violates (a) - (c) or (e) of this section commits the offense of  
24 failure to comply with alcohol server education requirements.

25 (h) Failure to comply with alcohol server education requirements is a  
26 violation.

27 \* **Sec. 132.** AS 04.21.050(a) is amended to read:

28 (a) If a licensee or an agent or employee of the licensee questions or has  
29 reason to question whether a person entering licensed premises, or ordering,  
30 purchasing, attempting to purchase, or otherwise procuring or attempting to procure  
31 alcoholic beverages,

1 (1) has attained the age of 21 years or is entering without consent in  
2 violation of AS 04.16.049(a)(2) [AS 04.16.049(a)(3)] and has not attained the age of  
3 16 years, that licensee, agent, or employee shall require the person to furnish proof of  
4 age acceptable under (b) of this section or proof of consent in a form determined by  
5 the board; if the person questioned does not furnish proof of age acceptable under (b)  
6 of this section, or if a licensee, agent, or employee questions or has reason to question  
7 the validity of the proof of age furnished, the licensee, employee, or agent shall require  
8 the person to sign a statement that the person is over the age of 21 or 16 years, as  
9 appropriate; this statement shall be made on a form prepared by and furnished to the  
10 licensee by the board;

11 (2) is restricted from purchasing alcoholic beverages under  
12 AS 04.16.160, the licensee, agent, or employee may, but has no duty or obligation to,  
13 require the person to furnish proof acceptable under (b) of this section that the person  
14 is not restricted from purchasing alcoholic beverages or require the person to sign a  
15 statement that the person is not restricted from purchasing alcoholic beverages under  
16 AS 04.16.160; this statement shall be made on a form prepared by and furnished to the  
17 licensee by the board.

18 \* **Sec. 133.** AS 04.21.060 is amended by adding new subsections to read:

19 (b) A licensee who stores alcoholic beverages elsewhere than on the licensed  
20 premises and who fails to comply with (a)(1) - (3) of this section commits the offense  
21 of unauthorized warehousing.

22 (c) Unauthorized warehousing is a violation.

23 \* **Sec. 134.** AS 04.21.065(a) is repealed and reenacted to read:

24 (a) A holder of one of the following types of licenses or permits shall post on  
25 the licensed or designated premises three separate warning signs as described in (b) of  
26 this section:

27 (1) brewery manufacturer license under AS 04.09.020 with a  
28 manufacturer sampling endorsement under AS 04.09.410;

29 (2) winery manufacturer license under AS 04.09.030 with a  
30 manufacturer sampling endorsement under AS 04.09.410;

31 (3) distillery manufacturer license under AS 04.09.040 with a

- 1 manufacturer sampling endorsement under AS 04.09.410;
- 2 (4) beverage dispensary license under AS 04.09.200;
- 3 (5) restaurant or eating place license under AS 04.09.210;
- 4 (6) club license under AS 04.09.220;
- 5 (7) package store license under AS 04.09.230;
- 6 (8) pub license under AS 04.09.240;
- 7 (9) theater license under AS 04.09.250;
- 8 (10) common carrier dispensary license under AS 04.09.260;
- 9 (11) sporting event license under AS 04.09.270;
- 10 (12) outdoor recreation lodge license under AS 04.09.280;
- 11 (13) golf course license under AS 04.09.290;
- 12 (14) destination resort license under AS 04.09.300;
- 13 (15) brewery retail license under AS 04.09.310;
- 14 (16) winery retail license under AS 04.09.320;
- 15 (17) distillery retail license under AS 04.09.330;
- 16 (18) beverage dispensary tourism license under AS 04.09.340;
- 17 (19) seasonal restaurant or eating place tourism license under
- 18 AS 04.09.350;
- 19 (20) beverage dispensary caterer's permit under AS 04.09.610;
- 20 (21) restaurant caterer's dining permit under AS 04.09.620;
- 21 (22) club caterer's permit under AS 04.09.630;
- 22 (23) art exhibit event permit under AS 04.09.640;
- 23 (24) nonprofit organization event permit under AS 04.09.650;
- 24 (25) tasting event permit under AS 04.09.670;
- 25 (26) conditional contractor's permit under AS 04.09.690;
- 26 (27) another license or permit issued by the board authorizing
- 27 consumption of alcoholic beverages.

28 \* **Sec. 135.** AS 04.21 is amended by adding new sections to read:

29 **Sec. 04.21.072. Fines and other criminal penalties.** (a) A violation under this  
30 title, unless otherwise specified in the provision of this title defining the offense, is  
31 punishable by a fine of \$250.

1 (b) A misdemeanor or felony under this title, unless otherwise specified in the  
2 provision of this title defining the offense, is punishable as provided in AS 12.55.

3 **Sec. 04.21.074. Bail forfeiture schedule.** The supreme court shall establish by  
4 rule or order a schedule of bail amounts for violations under this title that allow the  
5 disposition of a citation without a court appearance. The bail amount may not exceed  
6 the maximum penalty prescribed by law for the violation.

7 **Sec. 04.21.076. Suspension of fine or sentence.** The court may not suspend a  
8 fine for an offense other than a misdemeanor or felony under this title, or suspend  
9 imposition or execution of sentence for an offense other than a misdemeanor or felony  
10 under this title, unless otherwise expressly provided in this title.

11 \* **Sec. 136.** AS 04.21.078 is amended to read:

12 **Sec. 04.21.078. Court records of persons under 21 years of age.** The Alaska  
13 Court System may not publish on a publicly available website the court records of a  
14 violation of AS 04.16.049, [OR] 04.16.050, 04.16.060(g), or a similar ordinance of a  
15 municipality, if the violation was charged separately and was not joined with any other  
16 minor offense or criminal charge at the time of filing.

17 \* **Sec. 137.** AS 04.21.080(b)(6) is amended to read:

18 (6) "designated premises" means any or all designated portions of a  
19 building or structure, rooms or enclosures in the building or structure, or real estate  
20 leased, used, controlled, or operated by a licensee or permittee for the purpose for  
21 which the license or permit is issued by the board at the location of the site for which  
22 the license or permit is issued;

23 \* **Sec. 138.** AS 04.21.080(b)(15) is amended to read:

24 (15) "licensed premises" means any or all designated portions of a  
25 building or structure, rooms or enclosures in the building or structure, or real estate  
26 leased, used, controlled, or operated by a licensee in the conduct of business for which  
27 the licensee is licensed by the board at the specific address for which the license or an  
28 endorsement to the license is issued;

29 \* **Sec. 139.** AS 04.21.080(b) is amended by adding new paragraphs to read:

30 (21) "bona fide restaurant" means an establishment or a portion of an  
31 establishment where, during all times alcoholic beverages are served or consumed,

1 (A) the patron's principal activity is consumption of food; and

2 (B) a variety of types of food items appropriate for meals is  
3 prepared on site and available for sale as shown on a menu provided to patrons  
4 and filed with the board;

5 (22) "brewed beverage" means an alcoholic beverage made by  
6 fermenting cereal grains, including beer and malt beverages, sake, and kombucha;

7 (23) "calendar year" means the period beginning January 1 and ending  
8 December 31;

9 (24) "cider" means a type of wine made primarily from fermented  
10 apples, apple juice, or concentrate;

11 (25) "distilled spirit" means an alcoholic beverage that is first  
12 fermented and then distilled;

13 (26) "golf course" means a course that is open to the public, having at  
14 least nine holes and covering at least 2,950 yards;

15 (27) "kombucha" means a brewed beverage made from fermented tea  
16 and containing at least one-half percent alcohol by volume;

17 (28) "mead" means a type of wine made primarily from honey;

18 (29) "sake" means a type of brewed beverage made primarily from  
19 fermented rice;

20 (30) "wine" means an alcoholic beverage made from fermented grapes  
21 or other fruit or honey.

22 \* **Sec. 140.** AS 05.15.690(48) is amended to read:

23 (48) "vendor" means a business whose primary activity is not regulated  
24 by this chapter but that

25 (A) is engaged in the sale of pull-tabs on behalf of a permittee;

26 (B) holds a business license under AS 43.70; and

27 (C) is an establishment holding a

28 (i) beverage dispensary license under AS 04.09.200  
29 without a restaurant endorsement issued under AS 04.09.450

30 [AS 04.11.090 THAT HAS NOT BEEN DESIGNATED BY THE  
31 ALCOHOLIC BEVERAGE CONTROL BOARD UNDER

1 AS 04.16.049(a)(2) - (3)], has not been exempted by the Department of  
2 Labor and Workforce Development under AS 04.16.049(c) and  
3 AS 23.10.355, and if the establishment is a hotel, motel, resort, or  
4 similar business that caters to the traveling public as a substantial part  
5 of its business, does not allow the sale of pull-tabs in a dining room,  
6 banquet room, guest room, or other public areas other than a room in  
7 which there is regularly maintained a fixed counter or service bar that  
8 has plumbing connections to permanent plumbing at which  
9 alcoholic beverages are sold or served to members of the public for  
10 consumption;

11 (ii) package store license under AS 04.09.230  
12 [AS 04.11.150];

13 \* **Sec. 141.** AS 09.65.315(b) is amended to read:

14 (b) A person licensed under AS 04.09.010 - 04.09.380 [AS 04.11.080 -  
15 04.11.255], or an agent or employee of the person, is not liable for damages resulting  
16 from a motor vehicle accident described under (a) of this section. A person or entity  
17 that participates in making arrangements for transportation of a vehicle under (a) of  
18 this section is not liable for damages resulting from a motor vehicle accident described  
19 in (a) of this section.

20 \* **Sec. 142.** AS 11.61.220(d) is amended to read:

21 (d) In a prosecution under (a)(2) of this section, it is

22 (1) an affirmative defense that

23 (A) [REPEALED]

24 (B) the loaded firearm was a concealed handgun as defined in  
25 AS 18.65.790; and

26 (C) the possession occurred at a place covered by a restaurant  
27 endorsement under AS 04.09.450 [DESIGNATED AS A RESTAURANT  
28 FOR THE PURPOSES OF AS 04.16.049] and the defendant did not consume  
29 intoxicating liquor at the place;

30 (2) a defense that the defendant, at the time of possession, was on  
31 business premises

1 (A) owned by or leased by the defendant; or

2 (B) in the course of the defendant's employment for the owner

3 or lessee of those premises.

4 \* **Sec. 143.** AS 11.76.100(b) is amended to read:

5 (b) Notwithstanding the provisions of (a) of this section, a person who  
6 maintains a vending machine is not in violation of (a)(3) of this section if the vending  
7 machine is located

8 (1) on premises licensed as a beverage dispensary under AS 04.09.200  
9 [AS 04.11.090], licensed as a club under AS 04.09.220 [AS 04.11.110], or licensed as  
10 a package store under AS 04.09.230 [AS 04.11.150]; and

11 (A) as far as practicable from the primary entrance; and

12 (B) in a place that is directly and continually supervised by a  
13 person employed on the licensed premises during the hours the vending  
14 machine is accessible to the public; or

15 (2) in an employee break room or other controlled area of a private  
16 work place that is not generally considered a public place and the room or area  
17 contains a posted warning sign at least 11 inches by 14 inches indicating that  
18 possession of tobacco by a person under 19 years of age is prohibited under  
19 AS 11.76.105.

20 \* **Sec. 144.** AS 11.76.107(a) is amended to read:

21 (a) A person commits the offense of failure to supervise a cigarette vending  
22 machine if the person owns premises licensed as a beverage dispensary under  
23 AS 04.09.200, [AS 04.11.090 OR] licensed as a club under AS 04.09.220,  
24 [AS 04.11.110] or licensed as a package store under AS 04.09.230 [AS 04.11.150] and  
25 with criminal negligence fails to have an employee supervise a vending machine on  
26 those premises that dispenses cigarettes, cigars, tobacco, or products containing  
27 tobacco as required by AS 11.76.100(b)(1)(B).

28 \* **Sec. 145.** AS 12.62.400(a) is amended to read:

29 (a) To obtain a national criminal history record check for determining a  
30 person's qualifications for a license, permit, registration, employment, or position, a  
31 person shall submit the person's fingerprints to the department with the fee established

1 by AS 12.62.160. The department may submit the fingerprints to the Federal Bureau  
2 of Investigation to obtain a national criminal history record check of the person for the  
3 purpose of evaluating a person's qualifications for

4 (1) a license or conditional contractor's permit to manufacture, sell,  
5 offer for sale, possess for sale or barter, traffic in, or barter an alcoholic beverage  
6 under AS 04.09 [AS 04.11];

7 (2) licensure as a mortgage lender, a mortgage broker, or a mortgage  
8 loan originator under AS 06.60;

9 (3) admission to the Alaska Bar Association under AS 08.08;

10 (4) licensure as a collection agency operator under AS 08.24;

11 (5) a certificate of fitness to handle explosives under AS 08.52;

12 (6) licensure as a massage therapist under AS 08.61;

13 (7) licensure to practice nursing or certification as a nurse aide under  
14 AS 08.68;

15 (8) certification as a real estate appraiser under AS 08.87;

16 (9) a position involving supervisory or disciplinary power over a minor  
17 or dependent adult for which criminal justice information may be released under  
18 AS 12.62.160(b)(9);

19 (10) a teacher certificate under AS 14.20;

20 (11) a registration or license to operate a marijuana establishment  
21 under AS 17.38;

22 (12) licensure as a security guard under AS 18.65.400 - 18.65.490;

23 (13) a concealed handgun permit under AS 18.65.700 - 18.65.790;

24 (14) licensure as an insurance producer, managing general agent,  
25 reinsurance intermediary broker, reinsurance intermediary manager, surplus lines  
26 broker, or independent adjuster under AS 21.27;

27 (15) serving and executing process issued by a court by a person  
28 designated under AS 22.20.130;

29 (16) a school bus driver license under AS 28.15.046;

30 (17) licensure as an operator or an instructor for a commercial driver  
31 training school under AS 28.17;

1 (18) registration as a broker-dealer, agent, investment adviser  
2 representative, or state investment adviser under AS 45.55.030 - 45.55.060.

3 \* **Sec. 146.** AS 18.56.230(b) is amended to read:

4 (b) The corporation may not authorize the commercial use of space in a multi-  
5 unit residential housing development owned or financed by the corporation for

6 (1) a business that offers adult entertainment;

7 (2) the sale of alcoholic beverages, unless the sale [IS IN A  
8 RESTAURANT OR EATING PLACE LICENSED UNDER AS 04.11.100 OR] is in  
9 premises covered by a restaurant endorsement issued [DESIGNATED] by the  
10 Alcoholic Beverage Control Board under AS 04.09.450 [AS A RESTAURANT  
11 UNDER AS 04.16.049];

12 (3) substance abuse treatment; or

13 (4) a business that primarily sells, transfers, or stores cigarettes or  
14 tobacco-related products.

15 \* **Sec. 147.** AS 18.65.085(c) is amended to read:

16 (c) The Department of Public Safety may establish and administer a reward  
17 program, and provide grants to municipalities, established villages, and, at the request  
18 of a municipality or established village, to a nonprofit association that administers a  
19 village public safety officer program, for reward programs leading to the apprehension  
20 and conviction of persons who violate AS 04.09.060, 04.09.070, 04.09.145, 04.09.370,  
21 04.09.380, or AS 04.11.010 by selling, importing, or possessing alcoholic beverages  
22 in violation of a local option adopted by a municipality or established village under  
23 AS 04.11.491.

24 \* **Sec. 148.** AS 18.80.230(b) is amended to read:

25 (b) Notwithstanding (a) of this section, a physical fitness facility may limit  
26 public accommodation to only males or only females to protect the privacy interests of  
27 its users. Public accommodation may be limited under this subsection only to those  
28 rooms in the facility that are primarily used for weight loss, aerobic, and other  
29 exercises, or for resistance weight training. Public accommodation may not be limited  
30 under this subsection to rooms in the facility primarily used for other purposes,  
31 including conference rooms, dining rooms, and premises licensed under AS 04.09

1 [AS 04.11]. This subsection does not apply to swimming pools or golf courses.

2 \* **Sec. 149.** AS 39.50.200(b) is amended by adding a new paragraph to read:

3 (65) Marijuana Control Board (AS 17.38.080).

4 \* **Sec. 150.** AS 43.60 is amended by adding a new section to read:

5 **Sec. 43.60.060. Winery direct shipment tax; statement; audit.** A holder of a  
6 winery direct shipment license under AS 04.09.360 who sells wine in the state or who  
7 consigns shipments of wine into the state shall

8 (1) be subject to the taxes provided under AS 43.60.010(a);

9 (2) provide monthly statements and other information required under  
10 AS 43.60.020 with the remittance of a tax collected under this section;

11 (3) allow the Department of Revenue to perform an audit of the  
12 holder's records upon request; and

13 (4) consent to the jurisdiction of a state court concerning enforcement  
14 of this section relating to the collection of taxes and other money owed by the holder,  
15 including interest and penalties.

16 \* **Sec. 151.** AS 43.70.105(a) is amended to read:

17 (a) This chapter does not apply to

18 (1) a fisheries business;

19 (2) the sale of liquor under a license issued under AS 04.09  
20 [AS 04.11];

21 (3) an insurance business;

22 (4) a mining business;

23 (5) supplying services as an employee;

24 (6) furnishing goods or services by a person who does not represent to  
25 be regularly engaged in furnishing goods or services;

26 (7) the activities of an investment club; in this paragraph,

27 (A) "investment club" means a group of individuals,  
28 incorporated or otherwise organized, that engages primarily in investing in  
29 securities, that does not sell investment services to another person, that does  
30 not advertise, and the primary purpose of which is educational;

31 (B) "security" has the meaning given in AS 45.55.990.

1 \* **Sec. 152.** AS 45.45.590(1) is amended to read:

2 (1) "business proprietor" means a person who owns a place of business  
3 in which the public may assemble and in which copyrighted musical works may be  
4 performed, broadcasted, or otherwise transmitted; in this paragraph, "place of  
5 business" includes a store, professional office, sports facility, entertainment facility,  
6 restaurant, hotel, or [AN] alcoholic beverage establishment licensed under AS 04.09  
7 [AS 04.11];

8 \* **Sec. 153.** The uncodified law of the State of Alaska is amended by adding a new section  
9 to read:

10 DIRECT COURT RULE AMENDMENT. Rule 17(h), Alaska Rules of Minor  
11 Offense Procedure, is amended to read:

12 (h) **Joinder Limits.** A prosecutor may not join a violation of AS 04.16.049,  
13 [OR] 04.16.050, or 04.16.060(g) or a similar municipal ordinance with a related  
14 criminal charge.

15 \* **Sec. 154.** AS 04.11.070, 04.11.080, 04.11.090, 04.11.100, 04.11.110, 04.11.115,  
16 04.11.120, 04.11.130, 04.11.135, 04.11.140, 04.11.150, 04.11.160, 04.11.170, 04.11.180,  
17 04.11.200, 04.11.210, 04.11.220, 04.11.225, 04.11.230, 04.11.240, 04.11.250, 04.11.255,  
18 04.11.360(9), 04.11.360(10), 04.11.400(d), 04.11.400(h), 04.11.400(j); AS 04.16.070,  
19 04.16.100, 04.16.180(a), 04.16.180(d), 04.16.210; and AS 04.21.080(b)(3) are repealed.

20 \* **Sec. 155.** AS 04.11.400(e) and 04.11.400(g) are repealed.

21 \* **Sec. 156.** AS 04.09.270(f) and 04.09.320(i) are repealed January 1, 2028.

22 \* **Sec. 157.** Section 160 of this Act is repealed January 1, 2020.

23 \* **Sec. 158.** The uncodified law of the State of Alaska is amended by adding a new section  
24 to read:

25 APPLICABILITY. (a) The provisions of secs. 9 - 19, 29, 74 - 77, 79 - 125, 130 - 133,  
26 135, 143, and 144 of this Act apply to offenses committed on or after the effective date of  
27 each of those respective sections.

28 (b) References to previous convictions in AS 04.11.270(a), as amended by sec. 23 of  
29 this Act, AS 04.16.180(b), as amended by sec. 118 of this Act, AS 04.16.180(e), as amended  
30 by sec. 119 of this Act, and AS 04.16.220(i), as amended by sec. 124 of this Act, apply to  
31 convictions occurring before, on, or after the effective date of each of those respective

1 sections.

2 (c) Section 20 of this Act applies to conduct by a holder of a distillery license  
3 occurring before, on, or after the effective date of sec. 20 of this Act.

4 \* **Sec. 159.** The uncodified law of the State of Alaska is amended by adding a new section  
5 to read:

6 **TRANSITION: CONVERSION OF APPLICATIONS AND LICENSES.** (a)  
7 Notwithstanding the population limits under AS 04.11.400(a) or (b), the Alcoholic Beverage  
8 Control Board shall convert, within 90 days after the effective date of this section,

9 (1) a license issued or renewed as necessary for the public convenience under  
10 former AS 04.11.400(e) or 04.11.400(g), repealed by sec. 155 of this Act, into a restaurant or  
11 eating place license under AS 04.11.100; if the license was issued as a restaurant or eating  
12 place license, or into a beverage dispensary license under AS 04.11.090, if the license was  
13 issued as a beverage dispensary license under former AS 04.11.400(j);

14 (2) an application submitted to the board that meets all of the requirements  
15 under former AS 04.11.400(e) or 04.11.400(g), repealed by sec. 155 of this Act, into an  
16 application for a restaurant or eating place license under AS 04.11.100;

17 (3) a license issued or renewed as a bottling works license under former  
18 AS 04.11.120, repealed by sec. 154 of this Act, into a brewery manufacturer license under  
19 AS 04.09.020, added by sec. 9 of this Act, or into a winery manufacturer license under  
20 AS 04.09.030, added by sec. 9 of this Act;

21 (4) a license issued or renewed as a brewpub license under former  
22 AS 04.11.135, repealed by sec. 154 of this Act, into a brewery manufacturer license under  
23 AS 04.09.020, added by sec. 9 of this Act;

24 (5) a license issued or renewed as a beverage dispensary license or restaurant  
25 or eating place license for a premises that is a theater under former AS 04.11.090 or  
26 AS 04.11.100, repealed by sec. 154 of this Act, into a theater license under AS 04.09.250,  
27 added by sec. 9 of this Act;

28 (6) a license issued or renewed as a wholesale license under former  
29 AS 04.11.160(a), repealed by sec. 154 of this Act, into a general wholesale license under  
30 AS 04.09.100, added by sec. 9 of this Act;

31 (7) a license issued or renewed as a wholesale license under former

1 AS 04.11.160(b), repealed by sec. 154 of this Act, into a limited wholesale brewed beverage  
2 and wine license under AS 04.09.110, added by sec. 9 of this Act;

3 (8) a license issued or renewed as a beverage dispensary license under former  
4 AS 04.11.400(d), repealed by sec. 154 of this Act, into a beverage dispensary tourism license  
5 under AS 04.09.340, added by sec. 9 of this Act;

6 (9) a duplicate license issued or renewed as a duplicate beverage dispensary  
7 license under former AS 04.11.090(e), repealed by sec. 154 of this Act, into a multiple fixed  
8 counter endorsement under AS 04.09.420, added by sec. 9 of this Act.

9 (b) Notwithstanding the population limits under AS 04.11.400(a) or (b), the Alcoholic  
10 Beverage Control Board may

11 (1) convert a license issued or renewed as a brewery license under former  
12 AS 04.11.130, repealed by sec. 154 of this Act, into a brewery manufacturer license under  
13 AS 04.09.020, added by sec. 9 of this Act, and a brewery retail license under AS 04.09.310,  
14 added by sec. 9 of this Act, upon application by the licensee;

15 (2) convert an application submitted to the board that meets all of the  
16 requirements under former AS 04.11.130, repealed by sec. 154 of this Act, into an application  
17 for a brewery manufacturer license under AS 04.09.020, added by sec. 9 of this Act, and a  
18 brewery retail license under AS 04.09.310, added by sec. 9 of this Act;

19 (3) convert a license issued or renewed as a winery license under former  
20 AS 04.11.140, repealed by sec. 154 of this Act, into a winery manufacturer license under  
21 AS 04.09.030, added by sec. 9 of this Act, and a winery retail license under AS 04.09.320,  
22 added by sec. 9 of this Act, upon application by the licensee;

23 (4) convert an application submitted to the board that meets all of the  
24 requirements under former AS 04.11.140, repealed by sec. 154 of this Act, into an application  
25 for a winery manufacturer license under AS 04.09.030, added by sec. 9 of this Act, and a  
26 winery retail license under AS 04.09.320, added by sec. 9 of this Act;

27 (5) convert a license issued or renewed as a distillery license under former  
28 AS 04.11.170, repealed by sec. 154 of this Act, into a distillery manufacturer license under  
29 AS 04.09.040, added by sec. 9 of this Act, and a distillery retail license under AS 04.09.330,  
30 added by sec. 9 of this Act, upon application by the licensee;

31 (6) convert an application submitted to the board that meets all of the

1 requirements under former AS 04.11.170, repealed by sec. 154 of this Act, into an application  
2 for a distillery manufacturer license under AS 04.09.040, added by sec. 9 of this Act, and a  
3 distillery retail license under AS 04.09.330, added by sec. 9 of this Act;

4 (7) convert a license issued or renewed as a recreational site license under  
5 former AS 04.11.210, repealed by sec. 154 of this Act, into a sporting event license under  
6 AS 04.09.270, added by sec. 9 of this Act, upon application by the licensee;

7 (8) establish an application form and procedure for conversion applications  
8 under this section.

9 \* **Sec. 160.** The uncodified law of the State of Alaska is amended by adding a new section  
10 to read:

11 **TRANSITION: SEASONAL RESTAURANT OR EATING PLACE LICENSE.** (a)  
12 Notwithstanding AS 04.11.080, the Alcoholic Beverage Control Board may issue a seasonal  
13 restaurant or eating place tourism license to a person who files an application under  
14 AS 04.11.260.

15 (b) A seasonal restaurant or eating place license authorizes a restaurant or eating place  
16 to sell brewed beverages and wine for consumption only on the licensed premises for a period  
17 not to exceed six months in each calendar year.

18 (c) The biennial seasonal restaurant or eating place tourism license fee is \$1,250.

19 (d) The board may issue a license under this section only if

20 (1) the board determines that the licensed premises is a bona fide restaurant or  
21 eating place; and

22 (2) the sale and service of food and alcoholic beverages and any other  
23 business conducted on the licensed premises of the restaurant or eating place is under the sole  
24 control of the licensee.

25 (e) The board may issue a license under this section only in a municipality or  
26 established village that

27 (1) has a population of 40,000 or less; and

28 (2) includes a community that receives more than 4,000 visitors a year, as  
29 determined by the Department of Commerce, Community, and Economic Development.

30 (f) The board may issue a license or approve an application for the transfer of  
31 ownership of a license under this section if it appears that issuance or transfer will encourage

1 the tourism trade.

2 (g) The holder of a seasonal restaurant or eating place tourism license shall ensure  
3 that gross receipts from the sale of food for consumption on the licensed premises are not less  
4 than the total amount of the gross receipts from the sale of alcoholic beverages for  
5 consumption on the licensed premises in each calendar year.

6 (h) The board shall adopt a regulation establishing a formula to limit the number of  
7 seasonal restaurant or eating place tourism licenses.

8 (i) The holder of a seasonal restaurant or eating place tourism license may provide  
9 entertainment on or adjacent to the licensed premises only between the hours of 11:00 a.m.  
10 and 11:00 p.m. unless additional hours are approved by the director upon the written request  
11 of the licensee for a specific occasion. The director may not grant approval for additional  
12 hours of entertainment on or adjacent to the licensed premises of an individual licensee more  
13 than three times in a calendar year. In this subsection, "entertainment" includes dancing,  
14 karaoke, live performances, or similar activities, but does not include recorded or broadcast  
15 performances without live participation.

16 (j) A license issued under this section may be renewed under AS 04.09.350, added by  
17 sec. 9 of this Act, on or after the effective date of sec. 9 of this Act.

18 \* **Sec. 161.** The uncodified law of the State of Alaska is amended by adding a new section  
19 to read:

20 **TRANSITION: REGULATIONS.** The Department of Commerce, Community, and  
21 Economic Development and the Alcoholic Beverage Control Board may adopt regulations  
22 necessary to implement the changes made by this Act. The regulations take effect under  
23 AS 44.62 (Administrative Procedure Act), but not before the effective date of the law  
24 implemented by the regulation.

25 \* **Sec. 162.** Sections 20, 31, 35, 37, 42, 46, 49, 155, 159(a)(1), 159(a)(2), 159(b)(8), 160,  
26 and 161 of this Act take effect immediately under AS 01.10.070(c).

27 \* **Sec. 163.** Except as provided in sec. 162 of this Act, this Act takes effect January 1, 2020.

#1 adopted

30-LS0015\S.3  
Bruce  
5/4/18

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE STUTES

TO: HCS CSSSSB 76(L&C), Draft Version "S"

- 1 Page 21, line 19:
- 2 Delete "36"
- 3 Insert "24"
- 4
- 5 Page 21, line 20:
- 6 Delete "18"
- 7 Insert "12"
- 8
- 9 Page 22, line 19:
- 10 Delete "18"
- 11 Insert "12"
- 12
- 13 Page 22, line 21:
- 14 Delete "36"
- 15 Insert "24"
- 16
- 17 Page 23, line 26:
- 18 Delete "three"
- 19 Insert "two"

**From:** Rep. Sam Kito  
**To:** House Labor and Commerce  
**Subject:** FW: problems with SB76!  
**Date:** Tuesday, May 1, 2018 9:08:26 AM

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**From:** Jeanne Kitayama & Paul Wheeler <hainesbrew@gmail.com>  
**Sent:** Tuesday, May 1, 2018 8:13 AM  
**To:** Rep. Sam Kito <Rep.Sam.Kito@akleg.gov>; Sen. Dennis Egan <Sen.Dennis.Egan@akleg.gov>; Sen. Peter Micciche <Sen.Peter.Micciche@akleg.gov>  
**Subject:** problems with SB76!

Dear Legislators,

It is "down to the wire" with the Title IV re-write. There are still many fine points in this rewrite that have dire consequences for those successful small businesses operating successfully under the present laws and restrictions.

The proposed law states that there may only be one brewery, distillery, **or** winery retail serving license per population of 9,000 people. For Haines, this means that our brewery and the distillery would have to compete for the one available retail license. Both our retail rooms operate under restrictions that draw people who don't want to go to traditional bars, offer a healthy social venue, and generate local revenue.

Even if we are grandfathered into the present laws, that particular restriction would devalue our brewery's resale value if it did not come with the retail license. Retail sales make up more than 50% of our sales. This logic is similar to the 80/20 provision that was taken out for similar reasons.

We invite you to stop by our brewery to confirm that the atmosphere is not that of a bar, but a responsible, friendly gathering place for our community.

Thank you for opposing the passage of SB76 at this time.

Sincerely,  
Jeanne & Paul

--  
Paul Wheeler & Jeanne Kitayama  
*Haines Brewing Company, Inc.*  
PO Box 911, Haines, AK 99827  
[www.hainesbrewing.com](http://www.hainesbrewing.com)



**ALPHA**



# **ALASKA PUBLIC HEALTH ASSOCIATION**

**Committed To Advancing Alaska's Public Health Since 1978**

May 3, 2018

The Honorable Sam Kito  
House Labor and Commerce Committee  
House of Representatives  
State Capitol  
Juneau, AK 99801

Dear Representative Kito and Committee Members:

The Alaska Public Health Association is pleased to submit this letter in support of SB 76, *"An Act relating to alcoholic beverages; relating to the regulation of manufacturers, wholesalers, retailers, and common carriers of alcoholic beverages; relating to licenses, endorsements, and permits involving alcoholic beverages; relating to the Alcoholic Beverage Control Board; relating to offenses involving alcoholic beverages; amending Rule 17(h), Alaska Rules of Minor Offense Procedure; and providing for an effective date."*

The Alaska Public Health Association (ALPHA) is a regional affiliate of the American Public Health Association. It is a statewide membership organization of health professionals, advocates, students and community members that are dedicated to improving the health of all Alaskans.

The Alaska Public Health Association supports much needed revisions to Title IV of the Alaska Statutes. For your information, attached is ALPHA's Resolution **"Supporting Senate Bill 76 (207), Revisions to Title 4 of the Alaska Statutes"** adopted in January of 2018.

We believe that SB 76, as a whole, will benefit communities, businesses, public health, safety and welfare in Alaska.

Sincerely,

*P Owen*

Patty Owen  
Policy Committee Co-Chair

cc: Senator Peer Micciche



### Supporting Senate Bill 76 (2017), Revisions to Title 4 of the Alaska Statutes

**WHEREAS**, alcohol abuse costs Alaska more than \$1.8 billion annually, and these costs are borne by the State and local governments, employers and residents;<sup>1</sup>

**WHEREAS**, over 18% of Alaskans 18 and older reported binge drinking in the last month, almost 14% of high school age youth reported binge drinking in the last month, and nearly 7% of Alaskans age 12 and older reported that they are dependent on alcohol;<sup>2</sup>

**WHEREAS**, in 2014 alone, one-quarter of all arrests and offenses in Alaska (9,438) were alcohol related, and 17 percent of victims (7,313 individuals) suffered from alcohol-related crimes;<sup>3</sup>

**WHEREAS**, creating and maintaining a logical, comprehensive and consistent system of alcohol control is necessary for balancing the economic interests of alcohol businesses with the public's interest in protecting community health and safety;

**WHEREAS**, Title 4 of the Alaska Statutes is the law regulating alcoholic beverages in the State of Alaska;

**WHEREAS**, the AS 04.06.090 states that the Alcoholic Beverage Control Board "shall control the manufacture, barter, possession, and sale of alcoholic beverages in the state" and that the Board "is vested with the powers, duties and responsibilities necessary for the control of alcoholic beverages";

**WHEREAS**, Title 4 of the Alaska Statutes has not been substantially updated since 1980;

**WHEREAS**, over 100 stakeholders and staff representing the alcohol industry, public health, local governments, and public safety spent over 11,000 hours of dedicated time over five years to craft proposed revisions to Title 4;<sup>4</sup>

**WHEREAS**, stakeholders who served on the Underage Drinking Committee thoroughly considered and ultimately adopted many of the existing recommendations in *Alaska's Strategies to Prevent Underage Drinking* (2013), which includes evidence-based strategies for addressing underage alcohol use and represents the work of partners including the Department of Health and Social Services, the Alcoholic Beverage Control Board, the Division of Juvenile Justice, the Alaska Native Justice Center, the University of Alaska Anchorage Justice Center, the Alaska Mental Health Trust Authority, and the Alaska Court System;<sup>5</sup>

**WHEREAS**, the Title 4 Review stakeholders group worked closely with Senator Peter Micciche to craft a comprehensive legislative package that would enact the recommendations of this multi-year process;

---

<sup>1</sup> McDowell Group (2017). *The Economic Costs of Alcohol Abuse in Alaska, 2016 Update*, prepared for the Alaska Mental Health Trust Authority. <http://www.mcdowellgroup.net/wp-content/uploads/2017/04/mcdowell-group-economic-costs-of-drug-abuse-final-4.24.17.pdf>

<sup>2</sup> Alaska Behavioral Risk Factor Surveillance System, 2016; Alaska Youth Risk Behavior Survey, 2017; SAMHSA National Survey of Drug Use and Health, 2013-2014.

<sup>3</sup> McDowell Group (2017). *The Economic Costs of Alcohol Abuse in Alaska, 2016 Update*, prepared for the Alaska Mental Health Trust Authority.

<sup>4</sup> For more information about the Title 4 Review process and stakeholder recommendations, please refer to the project's summary report: *Alaska Title 4 Review, Recommendations for Statutory Change*, updated October 2017.

<sup>5</sup> Alaska Committee to Prevent Underage Drinking (ACPUD) (2013). *Alaska's Strategies to Prevent Underage Drinking*.



**WHEREAS**, on March 3, 2017, Senate Bill 76 was introduced by Senator Micciche for consideration in the 30<sup>th</sup> Session of the Alaska Legislature;

**WHEREAS**, the recommendations in SB 76 will, *as a whole*, promote a fair business climate and protect public health and safety, create rational regulation for all tiers of the state's alcohol industry, limit youth access to alcohol, and promote responsible alcohol use and reduce the harms of overconsumption;

**WHEREAS**, SB 76 will, *as a whole*, benefit communities, businesses, and public health, safety and welfare;

**WHEREAS**, SB 76 will benefit youth by ensuring that the penalty for underage drinking does not jeopardize a young person's future, providing an incentive to seek needed alcohol education or treatment, and holding adults who supply alcohol to youth more accountable;

**WHEREAS**, SB 76 will benefit public health by preventing youth access to alcohol, preserving population limits on alcohol licenses and managing density of alcohol outlets, promoting responsible and moderate consumption at alcohol establishments and events, and regulating purchases of alcohol shipped directly to customers;

**WHEREAS**, SB 76 will benefit public safety by providing resources for local education and enforcement, improving law enforcement's ability to address violations of Title 4, and increasing availability of data about alcohol entering local option communities; and

**WHEREAS**, SB 76 will improve the Alcohol Beverage Control Board's and agency staff's ability to effectively administer and enforce Title 4 and its associated regulations;

**THEREFORE BE IT RESOLVED** that we, the members of the Alaska Public Health Association, on this date of January 16, 2018 support the recommendations of the Title 4 Review stakeholders and urge the Legislature to pass Senate Bill 76.

*Adopted January 16, 2018*

**From:** [Rep. Sam Kito](#)  
**To:** [House Labor and Commerce](#)  
**Subject:** FW: problems with SB76!  
**Date:** Tuesday, May 1, 2018 9:08:26 AM

---

**From:** Jeanne Kitayama & Paul Wheeler <hainesbrew@gmail.com>  
**Sent:** Tuesday, May 1, 2018 8:13 AM  
**To:** Rep. Sam Kito <Rep.Sam.Kito@akleg.gov>; Sen. Dennis Egan <Sen.Dennis.Egan@akleg.gov>; Sen. Peter Micciche <Sen.Peter.Micciche@akleg.gov>  
**Subject:** problems with SB76!

Dear Legislators,

It is "down to the wire" with the Title IV re-write. There are still many fine points in this rewrite that have dire consequences for those successful small businesses operating successfully under the present laws and restrictions.

The proposed law states that there may only be one brewery, distillery, **or** winery retail serving license per population of 9,000 people. For Haines, this means that our brewery and the distillery would have to compete for the one available retail license. Both our retail rooms operate under restrictions that draw people who don't want to go to traditional bars, offer a healthy social venue, and generate local revenue.

Even if we are grandfathered into the present laws, that particular restriction would devalue our brewery's resale value if it did not come with the retail license. Retail sales make up more than 50% of our sales. This logic is similar to the 80/20 provision that was taken out for similar reasons.

We invite you to stop by our brewery to confirm that the atmosphere is not that of a bar, but a responsible, friendly gathering place for our community.

Thank you for opposing the passage of SB76 at this time.

Sincerely,  
Jeanne & Paul

--

Paul Wheeler & Jeanne Kitayama  
***Haines Brewing Company, Inc.***

PO Box 911, Haines, AK 99827

[www.hainesbrewing.com](http://www.hainesbrewing.com)

**From:** [Rep. Sam Kito](#)  
**To:** [House Labor and Commerce](#)  
**Subject:** FW: After listening to testimonies...  
**Date:** Thursday, May 3, 2018 4:47:47 PM

---

**From:** Jeanne Kitayama & Paul Wheeler <hainesbrew@gmail.com>

**Sent:** Thursday, May 3, 2018 3:44 PM

**To:** Rep. Sam Kito <Rep.Sam.Kito@akleg.gov>; Rep. Adam Wool <Rep.Adam.Wool@akleg.gov>; Rep. Andy Josephson <Rep.Andy.Josephson@akleg.gov>; Rep. Louise Stutes <Rep.Louise.Stutes@akleg.gov>; Rep. Chris Birch <Rep.Chris.Birch@akleg.gov>; Rep. Gary Knopp <Rep.Gary.Knopp@akleg.gov>; Rep. Colleen Sullivan-Leonard <Rep.Colleen.Sullivan-Leonard@akleg.gov>; Rep. Mike Chenault <Rep.Mike.Chenault@akleg.gov>; Rep. Bryce Edgmon <Rep.Bryce.Edgmon@akleg.gov>

**Subject:** After listening to testimonies...

Dear Representatives,

You are very patient and attentive in listening to all that testimony, even after Chair Kito reminded people that some points they were bringing up were not part of the issues of SB76. Thank you.

Problems in SB76 stem from the bar owners who are not happy with the innovative success of the breweries and distilleries. Rather than following the current trends to be creative, collaborative, they choose to try to stifle what they see as competition. Yet business competition, perceived or real, can be a healthy opportunity to bring better service to customers.

The mental health organizations would be more successful in curbing unhealthy drinking by working with the bars, which present many more opportunities for abusive drinking and social problems.

SB76 brings no benefits to our small brewery, which is an integral and positive venue in our community. There seem to be many fine points within SB76 that need to be reevaluated so that craft brewing in Alaska can follow the same economic boost that is happening for communities in the lower 48 states.

Thank you for your time and thoughts,  
Jeanne Kitayama  
Haines Brewing Co., Inc.

--

Paul Wheeler & Jeanne Kitayama  
*Haines Brewing Company, Inc.*

PO Box 911, Haines, AK 99827

[www.hainesbrewing.com](http://www.hainesbrewing.com)

**From:** Melissa Cullum  
**To:** House Labor and Commerce  
**Subject:** HB357  
**Date:** Thursday, May 3, 2018 1:54:38 PM

---

To Whom It May Concern-

Alaska's regulation of alcohol is outdated and Title IV is in dire need of a rewrite; however, the tasting rooms from local distilleries and local craft producers should not be included in this bill. In Juneau, local bar owners have been vocal in their opposition to the new tasting room in downtown. As a community member I couldn't disagree with them more. Rather than have unregulated alcohol flowing like in many of the bars downtown, the tasting rooms limit the amount of alcohol served as well as close early. Not only are tasting rooms and local crafters and distillers revitalizing downtown, they offer well made products in responsible amounts; something that can't be said of any of the bars downtown. As a result, it is imperative that the legislature review HB357 and the stranglehold it will impose on the local crafters and distillers.

Sincerely,  
Melissa Cullum

Sent from my iPhone

**From:** Don Larson  
**To:** House Labor and Commerce  
**Subject:** SB 76  
**Date:** Friday, May 4, 2018 12:23:12 PM

---

Dear House Labor and Commerce Committee

I do not support the current changes to SB76 to create a separate distillery retail license. The only change that needs to be made is to incorporate HB 269 into SB 76. Please do not over complicate a simply matter and please do not try to destroy a fledgling industry.

Thank you for your time

Don Larson

--

~~~~~  
Don Larson  
PhD Candidate, ABD  
President Alaska Herpetological Society

Institute of Arctic Biology  
University of Alaska Fairbanks  
Fairbanks, AK 99775

Office: 270 AHRB  
907-474-6067

[djlaron@alaska.edu](mailto:djlaron@alaska.edu)

**From:** mrjohnbutts  
**To:** House Labor and Commerce  
**Date:** Thursday, May 3, 2018 1:24:08 PM

---

I support hb375 with out the last minute amendments and should allow tasting rooms for our craft distillerys it's they are an asset to our community and provide a safe place to have a cocktail and celebrate our local buisness

**From:** Kaari Busick  
**To:** House Labor and Commerce  
**Subject:** HB 357  
**Date:** Thursday, May 3, 2018 1:31:28 PM

---

I support passage of HB 357 without the last minute addition of regulations for craft brewers and distilleries & tasting rooms. It is past time that alcohol regulations in Alaska are overhauled, and attempting to throw tasting room regulation in this bill would be hasty and ill-advised.

That said, I also support tasting rooms at distilleries and breweries, and those providers being allowed to mix cocktails for customers.

Thank you.  
Kaari Busick  
Juneau

**From:** Rob Borland  
**To:** House Labor and Commerce  
**Subject:** HB 357/SB76  
**Date:** Thursday, May 3, 2018 3:20:23 PM

---

I am writing to voice my support for SB76 UNALTERED. Any ammendments or CS's to this bill jeopardizes 6 years of hard work by literally hundreds of people. It is very inappropriate to try to change this bill to further limit manufacturers at this point.

Thank you,

Rob Borland  
Fairbanks, AK

**From:** xoots@yahoo.com  
**To:** House Labor and Commerce  
**Subject:** HB357  
**Date:** Thursday, May 3, 2018 3:16:21 PM

---

Just want to express my support of HB357 without any last-minute amendments, please. Thank you.

Patty Fiorella  
Douglas, AK

Sent from my iPhone

**From:** Laura Steele  
**To:** House Labor and Commerce  
**Subject:** HB357 Comments  
**Date:** Thursday, May 3, 2018 1:14:25 PM

---

Good afternoon!

I am writing in regards to HB357. I support the bill as it stands, without last-minute additions adding stricter regulations for local craft producers and tasting rooms. These are two very different issues, and I am not in support of stricter regulations on the manufacturing of craft products or more strict regulation of our state's craft beverage tasting rooms.

Best,  
Laura Steele  
6260 N. Douglas Hwy  
Juneau, AK 99801  
907-957-6034

**From:** Will Geiger  
**To:** House Labor and Commerce  
**Subject:** HB357  
**Date:** Thursday, May 3, 2018 1:18:44 PM

---

Hello,

My name is William Geiger, I am a 27 year old resident of Juneau. I want to express my support HB357. However I must be clear that I support the bill but DO NOT support any amendments or revisions that may have recently been made to it or that may be made to it in the near future.

Thank you  
Will Geiger

**From:** Olivia Edwards  
**To:** House Labor and Commerce  
**Subject:** One voter's opinion on SB76  
**Date:** Thursday, May 3, 2018 3:33:37 PM

---

To Whom It May Concern,

I support SB76 as written, and would NOT support any amendments or CS's to the bill dealing with limiting manufacturers and tasting rooms any further. This bill is the fruits of literally six years of work by many people who have spent thousands of hours on it. It passed unanimously through the Senate. It would be VERY inappropriate to change this bill now in this committee.

Thank you,  
Olivia Edwards  
2325 Wheat Ln.  
Fairbanks, AK 99709

**From:** Will Elliott  
**To:** House Labor and Commerce  
**Subject:** Support for HB 357, without Amendments  
**Date:** Thursday, May 3, 2018 2:58:46 PM

---

Dear Representatives,

I am commenting on the issue of 'tasting room' regulations and HB 357. I support HB 357, but do not support the recent last-minute, preferential amendments that would make it harder for distilleries and tasting rooms to do business, to the benefit of bars and other competitors.

As a lifelong Alaska, I have observed both the economic opportunities and the social problems related to alcohol in Alaska. Currently, distilleries like Amalga in Juneau are a hugely positive influence, creating an Alaskan-made product, investing in the state, and providing community gathering places without the problems endemic to the bar scene.

It's no surprise that competitors would be threatened by explosion of community support our distilleries have received. However, in the name of competition, they should rise to the occasion and provide a similar level of quality, not use legislative tactics to prevent progress and growth.

Thank you for considering my comments and feel free to contact me with any questions.

**Will Elliott**  
**Juneau, AK**

**From:** Brian Buma  
**To:** House Labor and Commerce  
**Subject:** Support for HB357 WITHOUT the last minute ammendements  
**Date:** Thursday, May 3, 2018 1:27:48 PM

---

Hi - I am writing to ask that you pass HB357 without the last minute amendments associated with new, stricter regulations for local craft producers and tasting rooms in Alaska. This industry is one of the few bright spots associated with the Alaskan economy. We need these kinds of tourist and local friendly businesses to stay open, as is, for the good of the community. Please do not adopt the extreme amendments proposed yesterday, and pass HB357 without them.

Brian Buma  
Juneau resident

**From:** Alexis Howard  
**To:** House Labor and Commerce  
**Subject:** Support for HB357  
**Date:** Thursday, May 3, 2018 1:56:04 PM

---

I am writing because I support HB357 without the last minute amendments. Please pass HB357 with the changes that were proposed.

Thank you,  
Alexis Howard  
Juneau, AK

**From:** Janelle Quimpo  
**To:** House Labor and Commerce  
**Subject:** Support HB357 without  
**Date:** Thursday, May 3, 2018 3:15:36 PM

---

I support HB357 without these last minute amendments.

Thank you,  
Janelle Palomino

**From:** Kate Baldrige  
**To:** House Labor and Commerce  
**Subject:** Support HB357 without last minute amendments  
**Date:** Thursday, May 3, 2018 1:19:31 PM

---

Just a note before today's hearing to voice my support of HB357 without the last minute amendments put forward yesterday by a small number of bar owners. Do not let these amendments derail HB357.

Kate Baldrige  
6270 N Douglas Hwy Apt A  
Juneau, AK 99801

Sent from my iPhone. Please excuse brevity and typos.

**From:** Casey & Caroline Walker  
**To:** House Labor and Commerce  
**Subject:** Support hb357  
**Date:** Thursday, May 3, 2018 2:02:22 PM

---

I vote and I support HB 357.

Caroline Walker

**From:** Linnea Pearson  
**To:** House Labor and Commerce  
**Subject:** Support of HB357  
**Date:** Thursday, May 3, 2018 1:13:01 PM

---

Hello,

I am writing in support of HB357 without the addition of amendments. I am a resident of Juneau, AK 99801.

Linnea Pearson

Sent from my iPhone

**From:** Steven G  
**To:** House Labor and Commerce  
**Subject:** Support of HB357  
**Date:** Thursday, May 3, 2018 1:24:29 PM

---

Good Afternoon,

I support HB357 without the last minute amendments from bar owners.

Thank you,

Steven Gabelein

**From:** Anthony Imboden  
**To:** House Labor and Commerce  
**Subject:** In support of HB357  
**Date:** Thursday, May 3, 2018 1:03:55 PM

---

As a bartender who works under those trying their best to regulate the taproom of distilleries and breweries, I do not agree with their last minute advances in further regulation of a growing industry. In the lower 48, taproom have grown to be a great way to showcase their product and don't tend to disrupt the bar business, as they tend to work together and my bar does just that with Amalga. I showcase their product in all of my featured drinks, and they work with me in building a continuing partnership. The issues of a taproom are the least of our worries though, as alcoholism is growing on our streets and in our homes. We need to be working together to tackle the mental illness more so than petty squabbling between Bar Owners and Producers of the product. If Bar Owners are more concerned with their wallets than the health of their clientele then we need to seriously address that issue moreso than an a taproom showing the world their wonderful products.

Thank you for your time,  
A concerned Bartender

**From:** Lauren Verrelli  
**To:** House Labor and Commerce  
**Subject:** Support of HB357  
**Date:** Thursday, May 3, 2018 3:30:52 PM

---

Good Afternoon,

I am writing to you to voice my support of HB357 without these last minute amendments.

Thank you,

Lauren Verrelli

**From:** heidi shepard  
**To:** House Labor and Commerce  
**Subject:** Support of SB76  
**Date:** Thursday, May 3, 2018 3:44:38 PM

---

Good Afternoon,

I would like to express my support for SB76 as written. I would not support any amendments or CS's to the bill dealing with limiting manufacturers and tasting rooms any further.

This bill passed unanimously through the Senate and I believe it is unnecessary and ill advised to change the bill now.

Thank you,

Heidi Shepard  
1043 Pasque Rd.  
Fairbanks, Ak 99712

**From:** Diane Kaplan  
**To:** Rep. Sam Kito  
**Subject:** SB76  
**Date:** Wednesday, May 2, 2018 9:56:30 AM

---

Image



April 23, 2018

Dear Representative Sam Kito ,

There is a critically important piece of legislation before you that we hope receives your attention and sees passage before your upcoming adjournment. We are writing in support of SB76, the Title 4 rewrite bill. SB76 and companion bill HB357 update the statutes governing Alaska's alcohol laws, which haven't been updated since the 1980s. This legislation is the product of a six-year collaboration that engaged over 100 stakeholders, including people from every level of the alcohol industry, public health, substance use prevention and treatment providers, local governments, police, advocates for youth, and more. This bill offers a consensus-based set of recommendations that address current problems in law and creates a better framework to address future issues in the law.

Many pages of the bill simply reorganize current Title 4, aligning penalties with the various populations they impact and putting all the license types in one section, making it more user-friendly for the public and easier to administer for the Alcohol and Marijuana Control Office. There are also critical changes to the statute that need to be passed this year in order to create a safer, more equitable environment.

Recommendations are geared to promoting a fair business climate while protecting public health and safety, creating rational

regulation for all tiers of the state's alcohol industry, limiting youth access to alcohol, promoting responsible alcohol use and reducing the harms of overconsumption, and implementing updates without negatively impacting businesses and responsible operators. The changes offer practical solutions for some of Alaska's long-standing problems related to alcohol.

- **SB76/HB 357 increase fees for alcohol licenses, which will generate additional revenue for the state and for individual communities that receive a portion of the revenue for local law enforcement.**

Many of these fees have not been increased since the 1980s. Additionally, increased fees will generate revenue for the Alcohol Beverage Control (ABC) Board to be able to effectively perform compliance checks, educate businesses and communities about our laws, and better enforce the state's alcohol laws.

- **SB76/HB 357 give the state additional tools for controlling Internet sales of alcohol and holds businesses accountable for following state rules.**

This is necessary to respect our local option communities' decision to restrict alcohol, and to keep alcohol out of the hands of minors. Alaska is one of the only states with no regulation of Internet sales of alcohol. This means anyone, including a young person or a person in a local option community that has banned alcohol, can freely order alcohol online from any business willing to ship to them.

- **SB76/HB 357 support better enforcement of alcohol laws, as well as more education to businesses and communities about following the laws and operating responsibly.**

Alcohol is a major factor in many crimes committed in Alaska, including domestic violence and child maltreatment. Having a well-regulated alcohol industry that understands and follows the laws is part of the solution.

- **SB76/HB 357 hold businesses with alcohol sales licenses immediately accountable if an employee serves a minor or overserves someone who's already intoxicated.** This gives business owners more financial incentive to make sure their employees are trained and following state laws.

- **SB76/HB 357 streamline the alcohol licensing system.**

The bill eliminates the unintended consequences of creating new specialty license types and more outlets for alcohol and keeps population limits on the number of retail outlets per community. Limiting the number of alcohol outlets per capita has been proven to reduce violence, crime, and injuries in those communities.

It is a rare day when public health and safety advocates are aligned with the alcohol industry. The solutions found in SB76 came only after many hours across the table from one another, week after week, until we found common ground. There is no doubt further work to do on Title 4, but we must start with these consensus-based recommendations, and we must act as quickly as possible. Please pass SB76 this year.

Thank you for your attention.

Sincerely,

Image

Diane Kaplan  
Rasmuson Foundation

Dale Fox  
Alaska CHARR

If you don't want to receive email from Rasmuson Foundation, please [unsubscribe](#).

**From:** Daniel F Kirkwood  
**To:** House Labor and Commerce  
**Subject:** comments on HB357  
**Date:** Thursday, May 3, 2018 1:10:51 PM

---

Dear Committee Members,

As a supporter of the vibrant and creative craft producers in the Juneau community, I hope that you will move ahead with HB357 without ammendments that jeopardize the legislation or place additional restrictions on these innovative businesses.

Thank you  
Dan Kirkwood  
Juneau, AK

--

Daniel F. Kirkwood  
[dfkirkwood@gmail.com](mailto:dfkirkwood@gmail.com)

**From:** tamar harrison  
**To:** House Labor and Commerce  
**Subject:** HB357  
**Date:** Thursday, May 3, 2018 2:50:46 PM

---

To whom it may concern,

I am a long term Skagway resident and I want to let you know that I support HB357 without any last minute amendments.

Thank you for your consideration

Tamar Harrison

**From:** olivato78  
**To:** House Labor and Commerce  
**Subject:** Title 4 Reform  
**Date:** Thursday, May 3, 2018 3:24:23 PM

---

To whom it may concern

My name is Damian Olivato, and I am writing to voice my support for the passage of Title 4 Reform in its current form.

In a time when Alaska is hurting, fiscally, I feel that the revenue and job creation related to distillery and brewery tasting rooms is by far a positive boost for our towns and communities.

Once again, I support the passage of Title 4 Reform in its current form.

Thank you

Damian Olivato

**From:** Tiffany Reynolds  
**To:** House Labor and Commerce  
**Subject:** SB76  
**Date:** Thursday, May 3, 2018 3:15:48 PM

---

**To:** The House, Labor, and Commerce

As a manager of a thriving bar located in Skagway, Alaska, I support all craft manufactures in the state of Alaska by supporting SB76 in it's current form. . The Title IV rewrite is about the health and safety of our communities, adequately funding the Alcohol & Marijuana Control Office and modernizing the framework of the State's alcohol laws. SB76 represents the culmination of 6 years of hard work, now is not the time to add amendments to the bill favoring one sector of the industry over another.

Tiffany Reynolds

**From:** Matthew Turner  
**To:** House Labor and Commerce  
**Subject:** Title 4 reform  
**Date:** Thursday, May 3, 2018 2:25:37 PM

---

To whom it may concern,

My name is Matt Turner and I am writing in to support the passage of title four in its current form. In a time when Alaska is hurting a new industry is up and coming, providing jobs and revenue to the state. To limit its potential is unproductive and not in the states best interest.

I hope my submission on this matter will help the passage of the title four reform in its current form. For the good of Alaska.

Thank you,

Matt Turner  
Alaska Icefield Expeditions and  
Klondike Brewing Co

**From:** Philip Fitzgerald  
**To:** House Labor and Commerce  
**Subject:** regarding HB 357 and SB 76  
**Date:** Thursday, May 3, 2018 3:30:43 PM

---

I am writing to address two bills before your committee. I support HB 357 without the last minute amendments restricting tasting rooms, and I support SB 76 which would clarify the original legislation allowing distillery tasting rooms.

These micro distilleries and breweries are locally owned business which provide quality jobs for Alaskans. Many other places in the US craft breweries and distilleries are considered to be draws for tourism. At a point in time when the states economy is struggling, it is unfortunate that many promising small businesses are stuck in regulatory limbo.

Philip Fitzgerald

Fairbanks, Alaska, 99709

**From:** jtbryant1234  
**To:** House Labor and Commerce  
**Subject:** Sb76  
**Date:** Thursday, May 3, 2018 3:31:50 PM

---

To who it may concern,  
We are all in a unique and important position to help shape and provide our future commerce here, in our home, Alaska.

It's important to understand that there are many opportunities that can provide many year round jobs and futures to our Alaskan residents who are our friends and families. Please support the passage of SB76 in its current form without additional amendments.

Thank you for your time and hard work.

Joe Bryant, 29 years of being a proud Alaskan with an Alaskan daughter. Our future.

Sent via the Samsung Galaxy S7 active, an AT&T 4G LTE smartphone

**From:** Amund Rongstad  
**To:** House Labor and Commerce  
**Subject:** HB357  
**Date:** Thursday, May 3, 2018 4:29:44 PM

---

I am emailing in my support for the passing of HB357 as it stood earlier this week. I am not in favor of passing this bill with the amendments concerning distillery, brewery, and winery tasting rooms. This issue is complexed, with many different issues and many different opinions. This issue should be resolved as a stand alone bill, and dealt with in the 2019 legislative session. I would also like to add that I am NOT in favor of placing additional restrictions on tasting rooms, or confines of how manufacturers should be conducting their businesses.

Thank you for you're consideration.

Amund Rongstad.

For the record, I am an employee of Amalga Distillery, a distillery located in Juneau, Alaska.

**From:** B Webster  
**To:** House Labor and Commerce  
**Subject:** HB357  
**Date:** Thursday, May 3, 2018 4:30:47 PM

---

Hi there! My name is Bonnie Webster and I live in Juneau Alaska. I am writing about HB357. I would like to respectfully let you know that I support HB357 WITHOUT the last minute amendments.

Thank you!  
Bonnie Webster  
918-955-3646

Sent from my iPhone

**From:** Emily Potter  
**To:** House Labor and Commerce  
**Date:** Thursday, May 3, 2018 4:54:20 PM

---

I support SB76 as written, and would NOT support any amendments or CS's to the bill dealing with limiting manufacturers and tasting rooms any further. This bill is the fruits of literally six years of work by many people who have spent thousands of hours on it. It passed unanimously through the Senate. It would be VERY inappropriate to change this bill now in this committee.

I am disheartened by our representatives trying to destroy small business in Alaska and for involving themselves in bills that are a direct conflict of interest. Big bars are fighting small business distilleries. An owner of one of the big bars should have zero part in this. It is highly disappointing to see this all unfold as our elected officials should be better than this and held to a high standard. I am writing this because I am working during the time to call in.  
Emily Potter

**From:** Alan Mcpherson  
**To:** House Labor and Commerce  
**Subject:** HB 357  
**Date:** Thursday, May 3, 2018 3:50:56 PM

---

Dear Representatives,

I am in favor of better regulation of the Alcohol production and sales in Alaska. I would hope that HB 357 can be passed to improve safety. It would be sad if a small number of bar owners from Juneau were allowed to add unnecessary amendments to the bill for their own business needs, and subvert the good work and intention of the main bill.

Thank you, Dr. Alan McPherson.

**From:** Trey Simmons  
**To:** House Labor and Commerce  
**Subject:** HB357  
**Date:** Thursday, May 3, 2018 4:07:47 PM

---

Greetings -

I am writing to comment on HB357 and specifically to urge the committee not to make any changes to the language of SB76. I support SB76 as written, and do not support any changes to the language of that bill. SB76 passed unanimously and amendments or other changes at this point would be counterproductive and inappropriate.

Thank you,

--

Trey Simmons  
PO Box 91  
Ester Alaska 99725

**From:** Janice Caulfield  
**To:** House Labor and Commerce  
**Subject:** Support HB357 without amendments  
**Date:** Thursday, May 3, 2018 3:57:39 PM

---

I am writing to support the passage HB357 without the last minute amendments now under consideration that relate to local craft manufacturing and tasting rooms.

Thank you for your consideration of my comment.

Jan Caulfield  
525 W 9th St.  
Juneau, AK 99801  
[janc@gci.net](mailto:janc@gci.net)

**From:** cjsak@aol.com  
**To:** House Labor and Commerce  
**Subject:** Support HB357  
**Date:** Thursday, May 3, 2018 4:15:53 PM

---

Please support HB357 without the last minute amendments and protect the ability of our local craft brewers and tasting rooms to continue to offer their products!

I am concerned with the negative legislation that is trying to shut down our growing businesses - distilleries and craft breweries in the state! This does not help our economy nor encourage these entrepreneurs to invest in building local businesses!

Carin Smolin  
Douglas, Alaska

**From:** Sally Millay  
**To:** House Labor and Commerce  
**Subject:** Support HB357  
**Date:** Thursday, May 3, 2018 6:00:51 PM

---

I am writing you to show my support for HB357. I hope you too will support our community by showing support of this bill.

Thank you,  
Sally Millay

Sent from my iPhone

**From:** carolynmay518@gmail.com  
**To:** House Labor and Commerce  
**Subject:** SB76/HB357  
**Date:** Thursday, May 3, 2018 5:45:26 PM

---

To whom it may concern,

I support SB76 as written, and would NOT support any amendments or CS's to the bill dealing with limiting manufacturers and tasting rooms any further. This bill is the fruits of literally six years of work by many people who have spent thousands of hours on it. It passed unanimously through the Senate. It would be VERY inappropriate to change this bill now in this committee.

Thank you for your time,  
Carolyn Dobbs



**ALPHA**



# **ALASKA PUBLIC HEALTH ASSOCIATION**

**Committed To Advancing Alaska's Public Health Since 1978**

May 3, 2018

The Honorable Sam Kito  
House Labor and Commerce Committee  
House of Representatives  
State Capitol  
Juneau, AK 99801

Dear Representative Kito and Committee Members:

The Alaska Public Health Association is pleased to submit this letter in support of SB 76, "*An Act relating to alcoholic beverages; relating to the regulation of manufacturers, wholesalers, retailers, and common carriers of alcoholic beverages; relating to licenses, endorsements, and permits involving alcoholic beverages; relating to the Alcoholic Beverage Control Board; relating to offenses involving alcoholic beverages; amending Rule 17(h), Alaska Rules of Minor Offense Procedure; and providing for an effective date.*"

The Alaska Public Health Association (ALPHA) is a regional affiliate of the American Public Health Association. It is a statewide membership organization of health professionals, advocates, students and community members that are dedicated to improving the health of all Alaskans.

The Alaska Public Health Association supports much needed revisions to Title IV of the Alaska Statutes. For your information, attached is ALPHA's Resolution "Supporting Senate Bill 76 (207), Revisions to Title 4 of the Alaska Statutes" adopted in January of 2018.

We believe that SB 76, as a whole, will benefit communities, businesses, public health, safety and welfare in Alaska.

Sincerely,

*P Owen*

Patty Owen  
Policy Committee Co-Chair

cc: Senator Peer Micciche



**Supporting Senate Bill 76 (2017), Revisions to Title 4 of the Alaska Statutes**

**WHEREAS**, alcohol abuse costs Alaska more than \$1.8 billion annually, and these costs are borne by the State and local governments, employers and residents;<sup>1</sup>

**WHEREAS**, over 18% of Alaskans 18 and older reported binge drinking in the last month, almost 14% of high school age youth reported binge drinking in the last month, and nearly 7% of Alaskans age 12 and older reported that they are dependent on alcohol;<sup>2</sup>

**WHEREAS**, in 2014 alone, one-quarter of all arrests and offenses in Alaska (9,438) were alcohol related, and 17 percent of victims (7,313 individuals) suffered from alcohol-related crimes;<sup>3</sup>

**WHEREAS**, creating and maintaining a logical, comprehensive and consistent system of alcohol control is necessary for balancing the economic interests of alcohol businesses with the public's interest in protecting community health and safety;

**WHEREAS**, Title 4 of the Alaska Statutes is the law regulating alcoholic beverages in the State of Alaska;

**WHEREAS**, the AS 04.06.090 states that the Alcoholic Beverage Control Board "shall control the manufacture, barter, possession, and sale of alcoholic beverages in the state" and that the Board "is vested with the powers, duties and responsibilities necessary for the control of alcoholic beverages";

**WHEREAS**, Title 4 of the Alaska Statutes has not been substantially updated since 1980;

**WHEREAS**, over 100 stakeholders and staff representing the alcohol industry, public health, local governments, and public safety spent over 11,000 hours of dedicated time over five years to craft proposed revisions to Title 4;<sup>4</sup>

**WHEREAS**, stakeholders who served on the Underage Drinking Committee thoroughly considered and ultimately adopted many of the existing recommendations in *Alaska's Strategies to Prevent Underage Drinking* (2013), which includes evidence-based strategies for addressing underage alcohol use and represents the work of partners including the Department of Health and Social Services, the Alcoholic Beverage Control Board, the Division of Juvenile Justice, the Alaska Native Justice Center, the University of Alaska Anchorage Justice Center, the Alaska Mental Health Trust Authority, and the Alaska Court System;<sup>5</sup>

**WHEREAS**, the Title 4 Review stakeholders group worked closely with Senator Peter Micciche to craft a comprehensive legislative package that would enact the recommendations of this multi-year process;

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<sup>1</sup> McDowell Group (2017). *The Economic Costs of Alcohol Abuse in Alaska, 2016 Update*, prepared for the Alaska Mental Health Trust Authority. <http://www.mcdowellgroup.net/wp-content/uploads/2017/04/mcdowell-group-economic-costs-of-drug-abuse-final-4.24.17.pdf>

<sup>2</sup> Alaska Behavioral Risk Factor Surveillance System, 2016; Alaska Youth Risk Behavior Survey, 2017; SAMHSA National Survey of Drug Use and Health, 2013-2014.

<sup>3</sup> McDowell Group (2017). *The Economic Costs of Alcohol Abuse in Alaska, 2016 Update*, prepared for the Alaska Mental Health Trust Authority.

<sup>4</sup> For more information about the Title 4 Review process and stakeholder recommendations, please refer to the project's summary report: *Alaska Title 4 Review, Recommendations for Statutory Change*, updated October 2017.

<sup>5</sup> Alaska Committee to Prevent Underage Drinking (ACPUD) (2013). *Alaska's Strategies to Prevent Underage Drinking*.



Alaska Public Health Association  
Resolution 2018-6

**WHEREAS**, on March 3, 2017, Senate Bill 76 was introduced by Senator Micciche for consideration in the 30<sup>th</sup> Session of the Alaska Legislature;

**WHEREAS**, the recommendations in SB 76 will, *as a whole*, promote a fair business climate and protect public health and safety, create rational regulation for all tiers of the state's alcohol industry, limit youth access to alcohol, and promote responsible alcohol use and reduce the harms of overconsumption;

**WHEREAS**, SB 76 will, *as a whole*, benefit communities, businesses, and public health, safety and welfare;

**WHEREAS**, SB 76 will benefit youth by ensuring that the penalty for underage drinking does not jeopardize a young person's future, providing an incentive to seek needed alcohol education or treatment, and holding adults who supply alcohol to youth more accountable;

**WHEREAS**, SB 76 will benefit public health by preventing youth access to alcohol, preserving population limits on alcohol licenses and managing density of alcohol outlets, promoting responsible and moderate consumption at alcohol establishments and events, and regulating purchases of alcohol shipped directly to customers;

**WHEREAS**, SB 76 will benefit public safety by providing resources for local education and enforcement, improving law enforcement's ability to address violations of Title 4, and increasing availability of data about alcohol entering local option communities; and

**WHEREAS**, SB 76 will improve the Alcohol Beverage Control Board's and agency staff's ability to effectively administer and enforce Title 4 and its associated regulations;

**THEREFORE BE IT RESOLVED** that we, the members of the Alaska Public Health Association, on this date of January 16, 2018 support the recommendations of the Title 4 Review stakeholders and urge the Legislature to pass Senate Bill 76.

*Adopted January 16, 2018*

**From:** Bret Luick  
**To:** House Labor and Commerce  
**Subject:** SB87/HB357  
**Date:** Thursday, May 3, 2018 4:11:49 PM

---

Dear Representatives,

I live at 4050 Old Wood Road, Ester, AK 99725 and I support SB87/HB357, which updates regulation of alcohol in Alaska. The need to address the health and safety needs of Alaskans in relation to alcohol consumption is of extreme importance.

It is my understanding that the distillery tasting room debate is being conflated with this bill. Please do not allow the contentious tasting room debate to undermine SB87/HB357, and do not amend the bill with tasting room language.

Respectfully, Bret Luick  
Ester, AK

**From:** Chris Turner  
**To:** House Labor and Commerce  
**Subject:** Senate Bill 76  
**Date:** Thursday, May 3, 2018 5:28:45 PM

---

**My name is Christine Turner.** I am writing to urge you to support the passage of title four in its current form.

Christine Turner  
Gold Rush Brewery, LLC

**From:** Nathan Belz  
**To:** House Labor and Commerce  
**Subject:** SB76  
**Date:** Thursday, May 3, 2018 7:05:13 PM

---

I support SB76 as written, and do NOT support any amendments or CS's to the bill dealing with limiting manufacturers and tasting rooms any further. This bill as written is the fruits of literally six years of work by many people who have spent thousands of hours on it. It passed unanimously through the Senate. It would be VERY inappropriate to change this bill now in this committee.

--

Nathan P. Belz, Ph.D.  
Assistant Professor, UAF Civil and Environmental Engineering  
Assistant Director, Center for Safety Equity in Transportation  
p: 9074745765 e: npbelz@alaska.edu t: @dr.traffic

--

[This message has been sent from a mobile device. Please remember to be safe; do not text (or email) and drive.]

**From:** Jordan Widman  
**To:** House Labor and Commerce  
**Subject:** I support SB76 as Written!  
**Date:** Thursday, May 3, 2018 8:47:41 PM

---

I support SB76 as written, and would NOT support any amendments or CS's to the bill dealing with limiting manufacturers and tasting rooms any further. This bill is the fruits of literally six years of work by many people who have spent thousands of hours on it. It passed unanimously through the Senate. It would be VERY inappropriate to change this bill now in this committee.

Please consider this!

Jordan Widman



14896 Kenai Spur Highway, Suite 103-A • Kenai, AK 99611

Phone: (907) 283-3335 • Fax: (907) 283-3913

[www.kpedd.org](http://www.kpedd.org)

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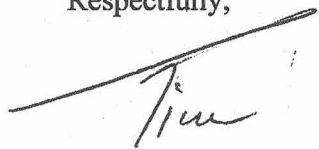
*Leadership to enhance, foster and promote economic development*

April 13th, 2018

  
Dear Senator Micciche,

Thank you for your work in support of craft brewers in Alaska, specifically your removal of the 80/20 provision in SB 76 for removal of the proposed rule for new breweries, wineries and distilleries in their manufacturer retail licenses to sell only 20% of total volume produced through a retail space (tasting room) and exemption of common carrier dispensaries from maintaining Alaska-based alcohol server education. With this amendment, our local breweries can continue to grow in a difficult economy. As always, it is a pleasure to work with you. Thank you for your time and dedication.

Respectfully,



Tim Dillon  
Executive Director  
Kenai Peninsula Economic Development District  
[Tim@kpedd.org](mailto:Tim@kpedd.org)



Alaska Regional Development Organization (ARDOR)  
The State of Alaska Department of Commerce, Community  
and Economic Development certified KPEDD as an  
ARDOR in 1989.



Economic Development District (EDD)  
The U.S. Department of Commerce, Economic  
Development Administration (EDA) recognized KPEDD  
as an Economic Development District in 1988.



# Soldotna



## CHAMBER OF COMMERCE & VISITOR CENTER

44790 Sterling Hwy. Soldotna, AK 99669 — [www.visitsoldotna.com](http://www.visitsoldotna.com)  
Ph: (907) 262-9814 Fax: (907) 262-3566

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& Co.**

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**BRONZE**

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IN BA THE**

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**MEDIA**

**CLARION**

**KSRM  
KSWA**

**KDLL 91.9 FM**

April 13, 2018

Office of Sen. Peter Micciche  
Co/Rachel Hanke, Legislative Aide  
State Capitol Room 508  
Juneau, AK 99801

RE: SB 76 – Alcoholic Beverage Control; Alcohol Reg.

Dear Senator Micciche:

On behalf of the Soldotna Chamber of Commerce Board of Directors I am writing to encourage you to support SB 76 with the amendment to remove the 80/20 provision regarding brewery taprooms, and to thank you for your work on this legislation. With this change, SB 76 fits well with the Chamber's mission "To promote responsible growth for Greater Soldotna through representation, education and advocacy for our members."

Breweries & taprooms have always been about more than beer. They serve as community hubs, gathering places, and sources of local identity and pride. As Soldotna's very own Kenai River Brewing Company and St. Elias Brewing Company demonstrate, they're also increasingly serving as engines of economic development and catalysts for cities and towns, especially in rural areas.

In addition to immediate economic benefits and establishing a sense of place, successful breweries are a huge draw for the increasingly lucrative world of craft-beer tourism. Recent Brewers Association data shows that 1.6 percent of craft-beer drinkers take 10-plus trips annually to brewers more than two hours from their home.

The Soldotna Chamber supports nurturing this growing industry with a focus on family friendly environments and responsible consumption. With the 80/20 provision removed we believe SB 76 is a positive piece of legislation for Soldotna, and all residents of Alaska. Thank you again.

Sincerely,

Shanon Davis  
Executive Director

April 10, 2018

Senator Peter Micciche  
c/o Rachel Hanke, Legislative Aide  
Alaska Legislator  
State Capitol Room 508  
Juneau, AK 99801

Re: SB 76 – ALCOHOLIC BEVERAGE CONTROL/REGULATION

Dear Senator Micciche:

I want to express gratitude for your amendment to SB 76 to remove the 80/20 provision for brewery taprooms. I don't believe this legislation with the 80/20 clause included would be reasonable for new breweries that want to offer a safe environment for those just wanting to enjoy craft beer at friendly establishment. Many local breweries are proud to showcase their taprooms and, while many do also successfully distribute their product, SB 76 without the 80/20 provision removed would potentially deter other craft breweries from opening in the future. I fully support SB 76 with that provision removed.

Thank you,

A handwritten signature in black ink, appearing to read 'Lh', is positioned above the typed name of the sender.

Leah Vik  
Kenai Peninsula Brewing & Tasting Society

**From:** Ed Lindquist  
**To:** Erick Cordero Giorgana; Rachel Hanke; Sen. Peter Micciche; Rep. Chuck Kopp  
**Subject:** HB 357  
**Date:** Thursday, April 12, 2018 2:32:24 PM

---

*1st off I'd like to thank Sen. Micciche for removing the 80/20 provision of SB 76 and I fully support Sen. Micciche's version with the 80/20 removed. With that said, I ask that HB357 make the same change.*

*Thank you for your time.*

*Ed Lindquist*

*PO Box 93*

*Sterling, AK*

*99672*



April 13, 2018

Office of Sen. Peter Micciche  
c/o Rachel Hanke, Legislative Aid  
State Capitol Room 508  
[Sen.peter.micciche@akleg.gov](mailto:Sen.peter.micciche@akleg.gov)  
[Rachel.hanke@akleg.gov](mailto:Rachel.hanke@akleg.gov)

Office of Rep. Chuck Kopp  
c/o Erick Cordero-Giorgana  
State Capitol Room 13  
[Rep.chuck.kopp@akleg.gov](mailto:Rep.chuck.kopp@akleg.gov)  
[Erick.corderogiorgana@akleg.gov](mailto:Erick.corderogiorgana@akleg.gov)

Re: Senate Bill 76/ House Bill 357 Letter of Support

Cooper Landing Brewing Company (CLBC) is in full support of SB 76/ HB 357 providing the 80/20 distribution clause is removed. CLBC would like to gracefully thank Senator Micciche for listening to our collective concerns with the provision and taking action to remove it. We respectfully ask Rep. Kopp to do the same.

Small breweries like CLBC would not be able to continue profitable operation if subject to the 80/20 rule. The cost to produce small batches of product prohibit profitable wholesale. Currently CLBC does not have a taproom and our sales are close to 80% wholesale. We operate at a loss and will continue to do so until we can open a taproom and increase retail beer sales to at least 50%. If our outlook for the future was subject to the 80/20 rule we would simply close our business and scrap our plans to build.

The breweries, cideries, and distilleries of Alaska already operate under some of the most stringent taproom rules in the country. We are subject to strict regulations that protect both the wholesalers and bar owners. Collectively through the Brewers Guild of Alaska (BGA) we have made concessions to move this bill along as it contains positive change for the alcohol industry as a whole. We have agreed to population limits on taprooms, higher license fees, and continued taproom restrictions to protect the business interests of other business models within the alcohol industry.

CLBC would like to thank everyone that has worked long and hard to modernize Title IV. We urge Rep. Kopp to remove the 80/20 provision for full BGA Member support.

**Cooper Landing Brewing Company, LLC**  
**Office: (907) 276-5044**  
**Fax: (907) 276-5410**

**2505 Barrow Street, Suite C**  
**Anchorage, Alaska 99503**  
**[www.cooperlandingsbrewing.com](http://www.cooperlandingsbrewing.com)**



Respectfully,

A handwritten signature in black ink, appearing to read "Nelz Barnett". The signature is fluid and cursive, with a long horizontal stroke at the end.

Nelz Barnett  
Managing Member/ Brewer  
Cooper Landing Brewing Company, LLC.

**Cooper Landing Brewing Company, LLC**  
**Office: (907) 276-5044**  
**Fax: (907) 276-5410**

**2505 Barrow Street, Suite C**  
**Anchorage, Alaska 99503**  
**[www.cooperlandingbrewing.com](http://www.cooperlandingbrewing.com)**

# KENAI RIVER BREWING CO.

308 Homestead Lane  
Soldotna, AK 99669  
(907) 262-BEER



Dear Representative Knopp,

April 30, 2018

I am writing to show our full support for the passing of the rewrite of Title 4. This has been a long process to get where we are, involving many stakeholders in a major rewrite of the Alcohol Laws of Alaska. The passing of this bill will bring fairness, a clearer understanding of licenses, and easier compliance for all license holders.

Kenai River Brewing Company has been in business for 12 years. We have grown for each of those 12 years both in business and community involvement. I now have 21 full-time employees working in the brewery and taproom. We recently built and expanded a brand new facility using local designers and contractors. We contribute to nearly all local non-profits and charitable events both in our community and across the state. The passing of this bill will allow us to continue our growth and employment curve as well as providing a valuable gathering place for our community.

We appreciate your work on this bill and ask for your support in its passing.

Cordially,

A handwritten signature in black ink, appearing to read "R. Douglas Hogue". The signature is stylized and fluid.

R. Douglas Hogue  
Owner/President

To The Honorable Representative Kopp,

I would first like to state that I have no financial interest in any alcohol related business. I am, however, a supporter of the development of small business, especially in light of the State's current economic condition. I am a beer enthusiast. My wife and I enjoy visiting breweries in smaller towns or parts of the cities I normally wouldn't have a reason to venture into. They have become a tourist destination for us and our group of friends. I also think of these smaller towns that have limited employment opportunities and, thanks to a brewery, a small business has cropped up employing several people as well as provide a community meeting site. Some may even begin to serve food and thereby employ more people. Back in pre-prohibition times there were many such neighborhood breweries.

The point of this message is that I have been following the progress of SB 76 and HB 357 and in general can support these changes to Title 4. I am however concerned about the 80/20 provision in HB 357. My concern is that many of these breweries started out very small, usually on credit card debt and hard work. The 80/20 provision would totally snuff these upstarts out. Where are they going to enter the wholesale market? Tap space at the local bars is very limited and it's virtually impossible to crack into the cooler space at retailers. Cooler space is prime real estate dominated by distributor's wares. A distributor charges a significant fee to distribute your product and wouldn't be interested in picking up a client who can't produce a large enough volume and doesn't have a proven track record or following. These opportunities will be lost by this one provision.

I understand the need to support those businesses that currently have licenses. I also believe that with the existing laws restricting the amount served (three 12 oz. glasses of beer) and the closing hour of 8:00 already provides significant protection. From my point of view, and my own habits, it's almost a whole different set of clients.

Please consider supporting the free market aspect of this and remove the 80/20 provision.

Sincerely,

Steve Ford

48000 Woken Ct

Kenai, Ak 99611



April 9, 2018

RE: In support of Senate Bill 76

To Honorable Members of the Senate Judiciary Committee:

I am asking you to support Senate Bill 76 which would revise Title 4 of the Alaska Statutes regulating alcohol beverages. This bill is the product of a five-year process initiated by the Alcoholic Beverage Control (ABC) Board to engage a diverse group of more than 100 stakeholders across the state to determine how to improve the structure, organization, specific policies and associated implementation issues in Title 4, Alaska's statutes regarding regulation and control of alcoholic beverages in the state.

Title 4 is recognized to be in many ways outdated, confusing or otherwise ineffective in carrying out the intent of the statutes. Much of the chapter has not been updated since 1980. Over time, incremental updates and changing trends have reduced the effectiveness of Title 4. This systematic redraft of Title 4 will help the ABC Board carry out its mission and will benefit organizations and individuals whose work, community or business is affected by alcoholic beverage laws and regulations.

The proposed revisions in SB 76 are a comprehensive package of inter-related proposals to improve the overall system of alcohol regulation in Alaska. They will:

- Make Title 4 a clear and consistent framework used by licensees, the ABC Board and law enforcement
- Increasing effectiveness of Title 4 enforcement by improving the swiftness, proportionality and consistency of penalties
- Increasing licensee accountability before the ABC Board for Title 4 violations.

This package ensures that the Alcoholic Beverage Control Board fairly represents the interests of all Alaskans and will be a leader in alcohol education, policy and regulation. It will promote a fair business climate and protect public health and



safety by:

- Creating a rational regulatory structure for Alaska's alcohol licensing system
- Limiting youth access to alcohol
- Promoting responsible alcohol use and reduce the harms of overconsumption.

Our company employs 500 people and we would very much like to expand. Currently, as a brewpub, our beer production is capped and we cannot grow. A revised Title IV as contemplated by Senate Bill 76 would once again let us further develop our business, and hopefully increase our employment numbers.

I urge you to support the significant multi-year effort of this statewide stakeholder group by voting in support of SB 76 and improving Title 4.

Sincerely,

Matt Jones  
Co-founder

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**MOOSE'S TOOTH PUB & PIZZERIA**  
(907) 258-2537  
MOOSESTOOTH.NET

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**BEAR TOOTH THEATREPUB & GRILL**  
(907) 276-4200  
BEARTOOTHTHEATRE.NET  
BEARTOOTHGRILL.NET

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**BROKEN TOOTH BREWING**  
(907) 278-4999  
BROKENTOOTHBREWING.NET



Galen K. Jones

Jack J. Lau

Jerome J. Lau

Co-Owners / Co-Founders

Double Shovel Cider Company, LLC

502 W. 58th Ave Unit D

Anchorage, AK 99518

907-562-1100

info@doubleshovelsider.com

The Honorable Peter Micciche  
Senate Majority Leader  
Alaska State Legislature  
145 Main Street Loop Ste. 217 Room 226  
Kenai, AK 99611

April 13, 2018

Dear Senator Micciche,

We are life-long Alaskans and co-owners of Double Shovel Cider Co. (DSCC) in Anchorage. DSCC is a small hard cider manufacturing company that launched in May of 2016. We have an on-site tasting room, employ fifteen Alaskans (three full time), and distribute our products throughout most of the state.

We write you today to show our full support for the current version SB-76, contingent upon the removal of the "80/20" rule being pushed by a small minority of special interest parties. We thank you for introducing the amendment to have this rule removed.

The most unfortunate result of the Alaska government overstepping its mandate and defying common sense by forcing manufacturers to sell 80% of their product wholesale, is seeing the vast majority of the industry fold. This type of business model shouldn't be forced upon small businesses by the government for the benefit of one economic sub-sector. If a small manufacturer is simply happy with only producing a few barrels of product per month and there's a public demand for enjoying their tasting room, that should be perfectly okay...and legal.

Another major issue with not removing the "80-20" rule is the short-sightedness of the "grandfather" caveat included with the formerly proposed language. Simply put: *Why would any investors or entrepreneurs want to start a business when manufactures already in the industry can do whatever they want?* Frankly, I would assume the stakeholders that supported the idea of the "grandfather" clause in the "80-20" rule were attempting to trick the manufacturing industry into shooting themselves in the foot. What they're struggling to realize is: it would actually burn the whole thing down...

The "grandfather" clause would dissuade any new manufacturing outfits from opening in Alaska. Not only is this bad for our economy in a plethora of ways (to be mentioned later in this letter), this is actually bad for bars and restaurants, too. The public wants local products; and the venues that support them are out-earning the ones who aren't. Without a local manufacturing scene, *Alaska* loses. It's that simple.

We are very grateful for the opportunity to sit at the table and help shape this historical legislation. Some of our most urgent concerns were quickly addressed to ensure fair treatment of cideries. For example, the original bill limited consumption limits at winery tasting rooms to 18 ounces. This volume makes sense when you consider the higher ABV of typical wines, at around 11-13%. American hard cider typically has an ABV of 5-7%, and is defined by the federal government as having an ABV of below 8.5%. The current version matches winery consumption limits with those for breweries.

DSCC owners attended multiple steering committee meetings, shared this oversight, and the group was more than willing to accommodate us. For that, we're very thankful. Revisions like this aren't just good for DSCC; it's good for Alaska's entire economy because they promote an atmosphere friendly and welcoming to new cidery and other manufacturing investments and startups in the State.

Progressive legislation in touch with the consumer's tastes create additional tax revenue; promote a vibrant hospitality scene attracting tourism and new residents; create skilled jobs; and most of all: enable wholesale growth so we can bring money *back* to Alaska from outside. This is the best thing about manufacturers: we aren't limited to the Alaska market or tax revenue gained by people physically in Alaska. These benefits are just the tip of the iceberg.

Thank you again for all the time and effort you've spent working with all of the groups at stake to make Alaska a better and more prosperous state.

We look forward to working with you to improve the future of *all* Alaskans.

Sincerely,



Galen K. Jones



Jack J. Lau



Jerome J. Lau

**From:** LIO Fairbanks  
**To:** House Labor and Commerce; House Finance  
**Subject:** Fw: Please forward to House Labor and Commerce  
**Date:** Friday, May 4, 2018 8:53:09 AM

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**From:** Rebecca Dunne <fiddler.rebecca@gmail.com>  
**Sent:** Thursday, May 3, 2018 2:45 PM  
**To:** LIO Fairbanks  
**Subject:** Please forward to House Labor and Commerce

Thank you!  
rebecca

Thank you for accepting my written testimony on SB 76. I support SB 76 as written. I do not support any amendments to the bill that limit manufacturers and tasting rooms any further.

Sincerely,  
Rebecca Dunne  
Fairbanks 99709

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Rebecca Dunne  
907-460-5382  
[rebecca-dunne.com](http://rebecca-dunne.com)

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Rebecca Dunne

[rebecca-dunne.com](http://rebecca-dunne.com)

Information about violin, fiddle, and horn lessons. Listen. Recordings of tunes for students

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**From:** Noah Jenkins  
**To:** House Labor and Commerce  
**Subject:** HB357  
**Date:** Friday, May 4, 2018 3:56:24 AM

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I support HB357 without further amendments that address local craft tasting rooms.

Thanks,  
Noah Jenkins  
15295 Glacier Hwy  
Juneau, AK 99801  
907-209-4722

**From:** Deborah Gregoire  
**To:** House Labor and Commerce  
**Subject:** Support HB 357  
**Date:** Thursday, May 3, 2018 7:43:57 PM

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I'm weighing in with my hope and encouragement for Legislators to vote in support of HB 357.

Respectfully,  
Deb Gregoire  
Juneau, AK

Sent from my iPhone

**From:** Sally Kieper  
**To:** House Labor and Commerce  
**Subject:** SB76/HB 357  
**Date:** Friday, May 4, 2018 5:19:11 AM

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I support SB76 as it was written. Please do not put in any last minute amendments to further limit manufacturers and craft distillery tasting rooms.

The bar owners arguments against the tasting rooms are petty and you should listen to what the public wants, not the "good ole boys club".

I tried to call yesterday but couldn't get through.

Sent from my iPhone

**From:** the stardancer  
**To:** House Labor and Commerce  
**Subject:** Distillary Legislation  
**Date:** Friday, May 4, 2018 9:24:27 AM

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I SUPPORT  
HB 357.

The distillery in downtown Juneau is a delightful place. They are open limited hours, and serve only two drinks per customer. It is light a bright in there, and a very pleasant atmosphere. The product is superior to what is served elsewhere.

I do not go to those other dingy dark bars where odd people congregate.. The smell of those places is off-putting to say the least, and the atmosphere is horrible.

Please look into this bill further and do not limit creativity and hard work for small distilleries and brewers.

Thank you.  
Melinda Dana

**From:** Tawney Letterman  
**To:** House Labor and Commerce  
**Subject:** CORRECTION HB357\*\*  
**Date:** Friday, May 4, 2018 11:15:58 AM

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I support HB357 WITHOUT the last minute additions of regulations for craft breweries, distilleries, and tasting rooms. Implementing these last minute amendments hinders the budding culture of Alaskan craft brewing and distilling businesses. The tax money that comes from alcohol sales is an unbelievable asset to the state of Alaska, and to think about adding additional regulations to the possible increase in safe and responsible alcohol sales is deplorable.

With our antiquated laws, we are stifling a culture in Alaska that exists everywhere else in the world, with no detriment to the existing bars and pubs in the vicinity of tasting rooms, breweries, and distilleries. It is a fact that can be backed up with statistics and verifiable numbers, that the presence of craft breweries, distilleries and tap rooms in the vicinity of bars causes them no detriment, it also increases traffic to the area which stimulates other businesses, and allows a safe and responsible venue to enjoy the craft culture.

I understand that the bars that operate near craft breweries, distilleries, and tasting rooms see these as competition, but that prehistoric way of thinking divides the community and puts unnecessary strain on relationships between businesses. If these amendments pass, we will see further strain on that sector of our business community, and the modest amount of craft breweries, distilleries, and tasting rooms will dwindle. Alternatives to bars are NOT a negative thing, and should not be seen as such. Please reconsider.

Tawney Letterman  
Hoonah, Alaska

**From:** Audrey Buma  
**To:** House Labor and Commerce  
**Subject:** Support for HB357 WITHOUT the last minute ammendements  
**Date:** Friday, May 4, 2018 11:06:42 AM

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Hi - I am writing to ask that you pass HB357 without the last minute amendments associated with new, stricter regulations for local craft producers and tasting rooms in Alaska. This industry is one of the few bright spots associated with the Alaskan economy. We need these kinds if tourist and local friendly businesses to stay open, as is, for the good of the community. Please do not adopt the extreme amendments proposed yesterday, and pass HB357 without them.

Audrey Buma  
Juneau resident

**From:** fogey@rainforesttelecom.com  
**To:** House Labor and Commerce  
**Subject:** Support HB357  
**Date:** Friday, May 4, 2018 10:26:43 AM

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Please support the House Bill 357 and provide the legislative leadership needed in Alaska to allow the new businesses working and providing jobs here to function as they need to in order to provide the communities they serve with the products they produce right here in our state.

The new distilleries are welcome in cities and state and our legal environment needs to allow them to function.

Thank you for supporting HB357 with the Title IV rewrite that has been in the works for several years.

Sincerely,  
William Arnold  
PO Box 22730  
Juneau, AK 99802

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**From:** kaity mac  
**To:** House Labor and Commerce  
**Subject:** In support of HB357  
**Date:** Friday, May 4, 2018 10:38:39 AM

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To whom it may concern,

I would like to extend my support for House Bill 357. As a young professional, and resident of North Douglas, I believe that it is vital to keep our distillery tap rooms fully functioning and easily accessible for Alaskan residents. Here in Juneau Amalga provides a safe, friendly and affordable way to enjoy a drink with friends without stepping into one of our towns many filthy, dingy bars.

Best regards,  
Kaity McAdams

**From:** Renee Trafton  
**To:** House Labor and Commerce  
**Subject:** HB 357  
**Date:** Friday, May 4, 2018 12:14:05 PM

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Hello,

I am in support of HB 357, without added amendments regulation on manufacturing. This bill is about better alcohol regulation and the health and safety of our communities, not these manufacturing issues.

Thank you!

Renee Trafton  
692 Indian River Rd  
Sitka